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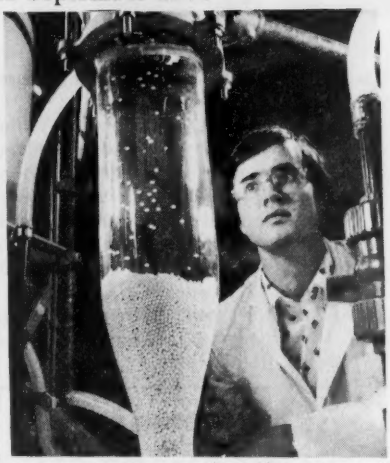
# Trade and Industry

22 September 1978

News from the Departments of Industry·Trade·Prices & Consumer Protection



Spherical gel-droplets precipitating from an organic polymer and salt-solution mixture. Used by the United Kingdom Atomic Energy Authority in the production of nuclear fuels, gel-precipitation is being explored for wider industrial applications. This and other developments are described in the UKAEA's annual report (page 647).

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# Trade and Industry this week

HOME

## Acard presses for awareness of semiconductor technology

About 5 per cent of UK firms are estimated to be aware of semiconductor technology and are exploiting it. The rest are either aware but constrained from using it or are totally unaware. It is against this background that the government's Advisory Council for Applied Research and Development (Acard) published a paper, 'The applications of semiconductor technology', on Monday. The purpose of the paper, available from HMSO price 85p, is to stimulate discussion of the technologicial issues.

Acard argues that semiconductor technology, or microelectronics, will not have an immediate sharp impact on all industrial sectors, but over the next 10 to 15 years there will be major changes throughout manufacturing and service industries.

A selective approach to future industrial and technological development is urged, with resources concentrated on those sectors with greatest potential for national benefit. An integral part of such a strategy should be strong support for products and processes which exploit the scope and versatility of semiconductor technology. In particular, the UK industry should make special efforts to promote semiconductor applications in sectors where it can build upon existing strengths and skills, exploit the strong position of the English language in commerce and education, make use of expertise in systems design, and serve expanding world markets.

The council believes that the following products and services have the greatest potential for exploitation of microelectronics: domestic appliances; education aids; information and data services; motor vehicles; energy conservation; food production and processing; home entertainment; medical systems; retailing and distribution; security; telecommunications; and traffic control.

Among its detailed recommendations the council urges that, as part of a drive to increase industrial awareness, the National Economic Development Office sector working parties should undertake a systematic assessment of the impact of semiconductor technology on their sectors, the threats which face them and their proposals for taking advantage of the opportunities.

Another important recommendation is that various government departments should examine the implications of the new techology for schools, higher education, vocational training and in-career training. The government believes that perhaps the main constraint on industry's adoption of semiconductor technology will be a severe shortage of manpower with the necessary engineering and computing skills. It broadly accepts the Acard recommendation and the departments most concerned are drawing up plans for early implementation.

On direct financial support for consultancy and application projects, there is no firm evidence so far that lack of money is a major difficulty. A lack of awareness is the more urgent problem. But the government recognises it has a role and start has already been made in this direction with the £15 million microprocessor application project (MAP) announced by the Secretary of State for Industry on 4 July. MAP offers financial support for industrial training and awareness, consultancy services, as well as development projects.

## Bingham report available

Commissioned by Secretary of State for Foreign and Commonwealth Affairs Dr David Owen on 8 April last year, the 'Report on the supply of petroleum and petroleum products to Rhodesia' by T. H. Bingham and S. M. Gray was published on Tuesday.

Copies are available from the Foreign and Commonwealth Office Library, Sanctuary Buildings, Great Smith Street, London SW1P 3DB.

The report is being considered by the Director of Public Prosecutions.

## British order for Airbuses

Laker Airways is to buy 10 A300 Airbuses and to augment is present fleet of DC10 airliners with an order for five more. Announcing this on Monday, chairman Sir Freddie Laker said that the total order was valued at £380 million.

The A300s, first to be ordered by a British airline, will be the long-range B4 version and seat 350 passengers. Deliveries will begin in December 1980. A decision on whether Rolls-Royce, Pratt and Whitney or General Electric engines will power the Laker Airbuses is expected to be made very soon.

Last month, industry secretary Eric Varley announced (*Trade and Industry*, 8 September) that the government had endorsed British Aerospace's application to join Airbus Industrie, the international consortium responsible for the A300, from 1 January. The UK is now looking for similar approval by the French and West German governments.

Laker Airways begins its new cheap-fare DC10 Skytrain service between London and Los Angeles next Tuesday.

## Crown Agents inquiry opens

The tribunal of inquiry into certain matters connected with the Crown Agents opened in London on Monday.

Headed by Justice Croom-Johnson, sitting with Lord Allen of Abbeydale and Sir William Simmings, the tribunal, under its terms of reference, is considering 'to what extent there were lapses from accepted standards of commercial or professional conduct, of public administration, in relation to the operations of the Crown Agents as financiers on own-account in the years 1967-74 described in the report of the Committee of Inquiry on the Crown Agents (HC 48 of 1977)'.

The inquiry is expected to continue until next July.

OVERSEAS

## ECGD guarantees loan for Tanzanian railways

Repayment and funding for a $38.5 million loan to help finance a contract awarded by the Tanzania Railway Corporation to Bre-Metro for 460 goods wagons and 50 passenger coaches has been guaranteed by ECGD. The loan has been made available by Lloyds Bank acting on behalf of Lloyds Bank International. A contract for a further 50 wagons will be financed from a grant of British aid.

The goods wagons will be manufactured at the British Rail Engineering Ltd (Brel) works at Ashford, Kent, and the passenger coaches at Derby. Delivery is scheduled for completion by early 1981.

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OR

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# Chairmen and Managing Directors

*The following executives are seeking to further their careers within fields where proven experience counts and is rewarded accordingly*

## FINANCE

1. **Cost Supervisor.** BSc (Hons) Economics and statistics. An impressively bright young member of a substantial cost analyst team seeking further career development. **Age 23 Salary circa £8,000**
2. **Audit Senior.** ACA good French. After eight years professional international experience – including computer auditing – he now wishes to move into commerce or industry further to progress his career. **Age 27 Salary £7,500**
3. **Corporate Planner** BSc. Hons. MA business analysis. Thoroughly practical with a wide range of computer user and consultancy experience in management services, including overseas. Seeking further career development. **Age 28 Salary £6,500+**
4. **Treasurer.** AIB. Fluent French good German. An intelligent young executive with merchant banking, accountancy and treasury experience covering a wide range of international industrial and financial services in textiles, oil and banking. Seeking career development. **Age 28 Salary £7,500+**
5. **Finance Manager.** ACMA. BSc (Elect Eng). Fluent German. A most impressive senior executive with substantial technical and manufacturing experience (including general management) in Europe. Having recruited his German successor he now wishes to develop his own career in the engineering or computing industries. **Age 31 Salary £10,000+**
6. **Financial Controller.** FCA. Controlling the £65 million turnover of the subsidiary of a major international manufacturing group consisting of numerous small companies. Promotion blockage, seeking career development with greater scope. **Age 36 Salary £11,000+**
7. **Finance Manager.** BSc (Econ) ACA. MBA (INSEAD) distinction. Fluent French and German. A highly intelligent large group executive with international professional and manufacturing experience. Location very flexible. **Age 33 Salary £10,000+**
8. **Merchant Banker.** BA(Cantab) Law MBA (IMEDE). Good French with substantial legal and banking experience in Australia and Europe. Seeking a move into industry which could lead towards general management. Location flexible. **Age 35 Salary circa £12,000**
9. **European Controller.** BBA. CPA. An experienced international especially in large scale retail and shipping operations. Wishes to remain London based. **Age 35 Salary circa £18,000**
10. **Financial Manager/Secretary.** C.A. (Portugal) BAM. Fluent French, Spanish, Italian, Portuguese, English. An experienced corporate financial manager and consultant. Location flexible. **Age 40 Salary £10,000+**
11. **Finance Director.** FCA. Fluent Portuguese, good French, some Spanish. With sound manufacturing company experience in Kenya and Portugal. Seeking a career development with a larger company. **Age 38 Salary £10,000+**
12. **Divisional Accountant.** ACCA. ACMA. A vigorous financial manager with wide international experience of building and construction contract management for the major groups. Seeking a further overseas contract. **Age 55 Salary circa £16,000**

## MARKETING

13. **Area Manager.** Fluent French, German and Spanish. A most successful international sales manager in the food and drink industries with responsibility for Scandinavia, E. Europe and Caribbean. A determined and articulate high-flyer seeking greater responsibility with a more ambitious company. **Age 22 Salary £6,000+**
14. **Export Salesman.** BA (Oxon). Fluent German good French, some Russian. Well educated, intelligent and articulate he has successfully opened up a new market in Germany for a small company. Now wishes to expand his experience. **Age 25 Salary £6,000+**
15. **Export Salesman.** Fluent German, French and some Cantonese. Successful experience in selling office and reprographic equipment to Scandinavia, Middle East and Australia. A sound steady export salesman who wishes to improve his remuneration. **Age 26 Salary £6,000**
16. **Export Salesman.** MA (Cantab) Hons. MBA. An intelligent and ambitious young man with 3 years experience in retail, food and grocery sales. Seeking career development. **Age 26 Salary £6,000+**
17. **International Marketing Executive.** BSc (Hons) Sciences. MSc Business Admin. Fluent Hungarian. Good French. A 'high flyer' with six years sound international marketing and consultancy experience in high technology and heavy industry, now seeking a progressive line appointment. **Age 28 Salary £13,000+**
18. **Sales Director.** MA. Good French. 1st Hons. Nat. Sciences. Impressive record in international sales of engineering products, especially automotive. Promotion blockage, seeking career development in engineering leading towards general management. **Age 31 Salary £16,000**
19. **Regional Manager Export.** BSc (Prod. Eng). Bilingual French. Considerable sales engineering experience of capital equipment in the mining type of industries in Europe and Scandinavia. Seeking greater responsibility in either a French or British company. **Age 39 Salary circa £12,000**
20. **Sales/Marketing Director.** BSc (Hons) Elect Eng. MBA. Some French and German. With substantial sales experience in both manufactured and service products. Recently reorganised a large sales force. As a high flyer he now wishes to progress his own career in either the durable or service industries such as computer time sharing. **Age 29 Salary £8,500+**
21. **General/Marketing Director.** A highly intelligent and most likeable senior executive whose wide range of sales management experience covers automotive products in Europe, building services, the leisure industries and glass. Seeking career development and increased remuneration. **Age 35 Salary £12,500+**
22. **Export Sales Director.** An experienced and successful record in fast moving consumer products such as foods, toys, electrical goods to worldwide markets. Seeking further career development. **Age 42 Salary £12,000**
23. **General/Sales Manager.** BA (Oxon) Hons. Chem. Good French. A tall and most impressive area manager with an excellent understanding of man management in a major international sales and manufacturing company. Wishes to develop his career into general management. **Age 36 Salary £10,000+**

## GENERAL MANAGEMENT

24. **General Manager.** MA Eng. Sciences. MSc. An impressive and practical manager with experience in the freight, travel and leisure industries and four years in electric motor production. A dedicated profit orientated businessman seeking further career development probably within a large group. **Age 33 Salary £12,500+**
25. **Corporate Planner.** BA (Econ) Hons. MSc (OR and MS). Fluent French, good German. A highly numerate and intelligent executive with large scale marketing and distribution experience and as an internal and external consultant. Seeking further career development. **Age 28 Salary £11,000+**
26. **International Executive.** BSc (Hons) Sciences Dip. Business Admin. Has 12 years experience in two major worldwide manufacturing groups involving funding and planning for 25+ operations in numerous countries. A highly practical head office man with a good science degree. Seeks greater responsibility leading towards general management. **Age 29 Salary £11,000+**
27. **Production Manager.** BSc (Eng) MSc (Chem. Tech), Dip IR. A highly successful man with four years in fmcg production and five years in steel plate. Promotion blockage – seeking career development ideally in consumer products or process industries. **Age 28 Salary £10,000+**
28. **Electrical Design Engineer.** BSc. With worldwide experience in the provision of electrical services up to 200 MW for the mining process and contracting industries especially in Africa. Seeking career development towards project management. **Age 29 Salary £7,500+**
29. **Business Development Manager.** An impressive highly numerate manager with major manufacturing group experience over five years in policy planning for products, manufacture, pricing and new business in the automotive related industries. Promotion blockage. **Age 31 Salary £8,500+**
30. **Young Manager.** BA (Business Studies), MSc. Highly numerate with experience of venture capital management and all forms of auditing. An impressive 'team leader' with sound commonsense and an excellent appreciation of 'man management'. **Age 30 Salary £8,500+**
31. **Senior Project Engineer.** MIPHE. MRSH. FIOP. A tough and experienced water engineer for large and small projects in the Middle East and Africa. Seeking increased remuneration, ideally overseas. **Age 35 Salary circa £10,000**
32. **Personnel Manager.** BA(Oxon), MIPM. Large group experience includes management development, training and performance appraisal. Wishes to become more closely involved in the toughest type of I.R. areas to widen his professional skills. **Age 41 Salary £10,000**
33. **General Manager.** BSc Civil Eng. MICE C. Eng. LLB. MBA. Fluent French and Italian. An experienced large group engineer with management experience in the Gulf, Libya, Malaysia and UK. **Age 37 Salary £10,000**
34. **General Manager** (Shipping). Fluent Dutch and French, good German. 12 years experience of shipping and transport management for major group operating in Far East, Africa, Middle East. Wishes to be based in Europe. **Age 34 Salary £15,000**

NOTES
(i) All the above executives have been interviewed by us and we consider them to be high quality material in their particular range – there are several others whom space precludes.

(ii) If you require an executive of similar capability please contact me.

(iii) If you yourself feel that you match these standards and might benefit from a new opportunity please contact me in the strictest confidence and without any obligation.

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# Home news

## Incentives for investment under the Industrial Strategy

Britain's economic health and wealth is founded upon the rock of her industry, Les Huckfield, Parliamentary Under-Secretary of State, Department of Industry, told a TUC seminar in Cardiff on 15 September.

Mr Huckfield emphasised that without an efficient, thriving, industrial base the rising living standards which the British had come to expect could not be provided and the rock upon which the tower of civilised and compassionate society was made would soon begin to crumble. This was why the country needed an industrial strategy.

Mr Huckfield pointed out that one of the Department of Industry's biggest contributions to the strategy was in providing incentives on a selective basis for new investment in plant and machinery. First through the highly successful accelerated projects scheme and currently through the selective investment scheme, industry had been encouraged to bring forward investment projects. Under the two schemes, assistance of £4 million had been offered to investment projects in Wales worth nearly £30 million.

The level of assistance and jobs being provided by regional incentives and their impact in promoting development and modernisation should not be forgotten, he said. Since 1974 some 460 offers of assistance linked to employment, under section 7 of the Industry Act, had been made to firms in Wales, totalling over £47 million, creating or safeguarding more than 40 000 jobs and funding projects with a total cost approaching £440 million. Regional development grants for new building and plant have amounted to nearly £230 million.

The Welsh Development Agency (WDA), it was now generally recognised on all sides, had a key role to play in the industrial regeneration of Wales. With the new programmes announced this year, including special projects brought forward and allocated additional resources to help meet the painful additional employment problems of the steel closure areas in Cardiff and at Ebbw Vale, the agency's advance factory building programmes now amounted to more than 300 factories providing nearly 2 million sq ft and space for more than 7000 jobs and demand for their occupation was running at an unprecedented level.

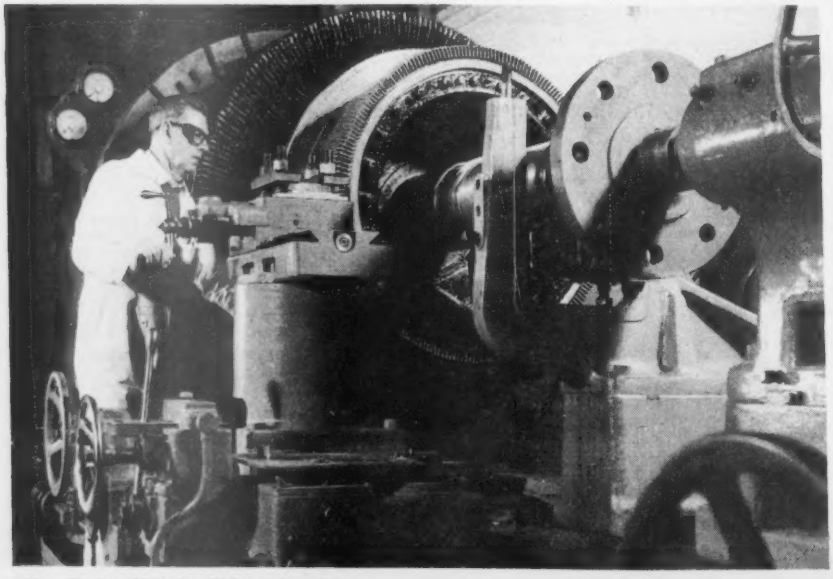
The agency was also meeting requirements for new custom-built factories, including a major extension for Hoover at Merthyr which would provide some 3000 new jobs. It was building up a land bank of strategically placed sites throughout Wales for new industrial estates – a policy which had already paid off handsomely when the availability of a large site at Bridgend ready for immediate development could be offered to Ford for its new engine plant.

The WDA was also becoming increasingly important in its investment role. Its portfolio had rapidly increased to £9 million in a very wide spread of Welsh industries, ranging from £1 million in a Cardiff foundry to small loans to help very small businesses with a promising future to set up or expand.

Mr Huckfield concluded by saying that in the meantime men and women able to work productively could not just be left on the scrap heap of unemployment if useful work could be found for them to do. The government's special employment schemes had saved or created a further 66 000 jobs in Wales that would not have existed otherwise.

## Armature renovated after decade of service

The armature of a 440 V 2500 kW dc generator undergoes a complete overhaul at the Acton works of Dynamo and Motor Repairs after 10 years' service in the Reed Paper and Board's Aylesford paper mill. This involves cleaning and stoving the windings, polishing the commutator and undercutting micas. The armature weighs about 10 tonnes and is 1.97 m in diameter.



## German mission looks at UK for industry expansion

A 70-strong group of German businessmen is visiting the UK to assess the prospects for setting up manufacturing concerns in this country. Their visit has been arranged by Department of Industry's Invest in Britain Bureau together with RKW Nordrhein-Westfalen of Dusseldorf in collaboration with the German Chamber of Industry and Commerce, London.

The businessmen attended a one-day conference in London on 18 September at which the UK's investment climate, industrial relations and investment incentives were discussed. Small groups then went on fact-finding tours of industrial areas in the north, north-west, Yorkshire and Humberside and south-west of England; Northern Ireland; Scotland and Wales. They saw German companies already based here and a range of UK companies.

The conference was chaired by Dr G. Massion, economic minister at the German embassy, and speakers included Alan Williams, Minister of State, Department of Industry, Brian Mathers, Transport and General Workers Union regional secretary, and Berndt Atenstaedt, German chamber of commerce.

## Industry secretary meets Chrysler unions

Secretary of State for Industry Eric Varley, Secretary of State for Scotland Bruce Millan, and Parliamentary Under-Secretary of State Les Huckfield met representatives of all the unions concerned with the future of Chrysler UK on 13 September.

Union representatives gave Mr Varley and

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Mr Millan an account of their meeting with the Peugeot-Citroen management earlier in the afternoon and presented their own report on their investigations into the proposed Peugeot-Citroen takeover of Chrysler's European activities.

Mr Varley said that many of the issues discussed in the unions' well-researched document were receiving detailed consideration in the governments's assessment. The unions' views would be fully considered by the government and taken into account before the government reached its decision.

## Speed-up of review of medicines

The Department of Health and Social Security has written to interested consumers, professional and trade organisations about changes to speed up the review of medicines.

New procedures will provide a more flexible system. From now onwards, the committee on the review of medicines will consider licenses direct, and routine prior consulation with industry on provisional ingredient recommendations will be dropped. This applies to the systematic review by therapeutic categories of use of, for example, anti-rheumatic drugs. Also, there will now be accelerated review of products thought to be unsatisfactory irrespective of their uses without waiting for their turn in therapeutic category order.

The changes depart from a rigid routine of consultations which delayed progress and are designed to make better use of the limited resources of skilled professional staff available to the Department of Health and Social Security with a view to completing the review of the 22 000 remaining products by the EEC deadline of 1990. There will however be statutory consultation if the committee's recommendations are to be implemented in particular cases by regulations, for instance, to secure uniform labelling or to prohibit the supply of medical products under section 62 of the Medicines Act.

## Fire-safety films teach company staff

Three new training films to help management and training officers to instruct their staff in safeguarding life and property against fire have been produced by the Fire Protection Association.

'In the event of a fire' explains the need for pre-planning so that staff know the vital steps to take if a fire starts. The first few minutes of a fire are crucial and the film emphasises the need for all firms to have a fire plan.

'Last thing at night' shows the risks that can arise from equipment and materials left carelessly at the end of the day. It illustrates how routine safety checks should be made.

'Putting fire out' shows how correct action by employees in the early stages of a fire can save a factory from destruction. It explains which initial fire-fighting equipment should be used on fires involving flammable liquids, electrical equipment and ordinary combustible materials.

All the films are in colour and are supplied with teacher's notes to promote subsequent discussion. They can be purchased or hired by the week. Inquiries should be addressed to the Fire Protection Association, Aldermary House, Queen Street, London, EC4N 1TJ.

## British designs shown to world textile buyers

Young designers met members of the textile industry at Texprint 78.

Texprint '78, the biggest textile design trade show in the UK featuring work of British designers, was held at the London-based headquarters of Courtaulds from 12 to 14 September.

Organised by the Design Council in conjunction with Courtaulds and the Society of Industrial Artists and Designers, Texprint '78 showed the work of over 60 established freelance designers and design groups and 33 young designers. These young designers, who are all recent graduates of British colleges of art and design, were specially selected by the Design Council and sponsored by Courtaulds.

One of the aims of Texprint '78 is to help these graduates make the first step in the transition from student to professional life. During the three days of the show, trade buyers and manufacturers from all over the world were able to meet the students and discuss their work.

## Household loft insulation drive launched

A loft insulation publicity campaign aimed at the owners of 5 million uninsulated homes has been launched by the Department of the Environment. The object of the campaign is to encourage private householders to apply at their council offices for grants – first to be made available specifically for the home – to help them insulate their lofts.

Last December the government introduced a 10-year programme to provide a basic level of insulation, such as loft insulation and the lagging of water pipes and tanks, in public sector housing. The homes' insulation scheme. is aimed at providing a similar level of insulation in privately-owned homes.

Grants can be used towards the cost of insulating lofts and lagging hot-water tanks. They can also cover the cost of lagging cold-water tanks and pipes within the loft and of cutting access to the loft where necessary.

One point that the Department of Environment is insisting on is that the insulating material is laid to a minimum thickness, corresponding to 80 mm of glass fibre quilt. This is believed to be the thickness likely to produce the most cost-effective gain. Minimum standards will be recommended for hot and cold-water tanks and pipes. Hot-water cylinder jackets must comply with British Standard 5615: 1978.

Introducing the campaign last week, Ernest Armstrong, Parliamentary Under-Secretary of State at the Department of Environment, said that the objective was to insulate about half a million houses a year — a 10-year programme similar to that for local authority houses. If that number of dwellings was insulated each year, it was estimated that fuel savings of up to 1 million tons oil equivalent per annum would result after 10 years, worth about £70 million a year. That was, of course, apart from any improved environmental or social conditions arising from the insulation.

## Hattersley welcomes THFH pricing restraint

Assurances from Trust Houses Forte Hotels of restraint in pricing policy until next March have been welcomed by Roy Hattersley, Secretary of State for Prices and Consumer Protection.

Mr Hattersley has now concluded his consideration of the Price Commission report on Trust Houses Forte Hotels. Publication of the full report has been postponed as a result of an industrial dispute at HMSO. The report recommends that the group's proposed average increase of 5.28 per cent in charges for hotel services in the United Kingdom, applied as an average increase of 12 per cent on room tariffs, should not be restricted.

An interim increase of 2.08 per cent was permitted during the investigation under the safeguard regulations and the company is free to implement the remainder of the increase. THFH has, however, given the commission an assurance that it will not seek a further increase in room tariffs beyond that already notified before March 1979, unless there are quite exceptional and unforeseen changes in circumstances.

The company has also advised the Price Commission that any price increases in food and drink charges notified before March 1979 will relate only to cost increases not covered in the notification of the current increase and will be limited to an amount such that THFH will not exceed its current profit margin on trading receipts.

When the commission undertook this investigation it was concerned that the share of the hotel market held by THFH might be sufficiently large in certain sectors to enable it to act as price leader. The investigation however established that over the greater part of the company's activities it is in fact exposed to

# ECGD cover for overseas fairs

As a supplement to the ordinary insurance policy exporters have with Export Credits Guarantee Department (ECGD), cover is available for goods exhibited at fairs overseas against the rather special risks involved.

**The standard cover includes sales at overseas fairs**
Sales made at overseas fairs are covered under the standard ECGD policy against eventualities of loss, such as the insolvency of the buyer or his default, or exchange difficulties preventing transfer of payment from the buyer's country.

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*or* war between any of the countries involved,
*or* the requisition or confiscation of the goods in these countries,
*or* any measure or decision in the country where the goods are exhibited which prevents their re-export to the UK.
For more information about this special cover, get in touch with the nearest regional office of ECGD.

ECGD's head office is at Aldermanbury House, Aldermanbury, London EC2. There are regional offices in:

**Central London** 01-437 2292 **North London** 01-808 4570 **South London** 01-686 9921 **Belfast** Belfast 31743 **Birmingham** 021-233 1771 **Bristol** Bristol 299971 **Cambridge** Cambridge 68801 **Glasgow** 041-332 8707 **Leeds** Leeds 450631 **Manchester** 061-228 3621.


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# Government sales

## Sales by auction

### 5 October 1978 – Miscellaneous

**Location**
Hilltop Motor Hotel, London Road, Carlisle

**Auctioneers**
Harrison and Hetherington (Dept L), Borderway Mart, Rosehill, Carlisle (0228 26292)

Stores lying at RAF Carlisle and other locations including clothing, webbing items, furniture, typewriters, machine and hand tools, aircraft spares, electronic spares, instruments, photographic equipment, various metals, vehicles and other items.

### 10 and 11 October 1978 – Vehicles

**Location**
Ordnance Storage and Disposal Depot, Ruddington, Notts

**Auctioneers**
Walker Walton and Hanson (Dept L), Byard Lane, Bridlesmith Gate, Nottingham (0602 54272)

Saloon cars including Morris 1000, Travellers, 1800s, Minis, Ford Escort estates and a variety of other cars. Bedford, Morris and Ford minibuses. Land-Rovers. Bedford trucks. Road and factory trailers. Coaches, cranes, fork lift trucks and many other items.

**Catalogues, which give details of the lots, conditions of sale, viewing times, etc, are available from the auctioneers from two weeks before and up to the day of the sale, price 40p, postage 15p.**

## WEMBLEY AUCTION SALES 1978

**3 October 1978**

| | |
|---|---|
| View Days: | Day preceding and morning of sale |
| Location: | Department of the Environment<br>Property Services Agency<br>Supplies Stores<br>India Pavilion<br>Exhibition Grounds<br>Wembley, Middx.<br>Tel. 01-903 2508 |
| Description of Goods: | Miscellaneous office equipment and furniture etc. (Potential buyers are advised to refer to the official catalogue available from the auctioneers, price 20p.) |
| Auctioneers: | Messrs Hollingsworth<br>Westcombe House<br>56/58 Whitcomb Street<br>Leicester Square<br>London WC2H 7DR<br>Tel. 01-839 1875 |

effective competition and that the level of profits which it earns owes more to its efficiency than to any lack of competition.

The commission says that although due to financial problems in 1973 and 1974 the company had restrained its capital expenditure it has now made a good recovery and its cash flow is healthy. The company now has a substantial capital investment programme aimed at improving the standard of existing hotels and for expansion.

## Increase in mortgage interest raises RPI

The retail price index for all items in the Department of Employment's index on 15 August was 199.4 representing an increase of 0.7 per cent on the previous month and 8 per cent over August last year (see page 683 for tables).

This figure is in line with prices secretary Roy Hattersley's prediction at the beginning of the summer of a stable inflation rate of about 8 per cent with minor falls in some months and minor increases in others for the rest of the year (see *Trade and Industry*, 21 July, page 115).

The rises in the index in August were mainly due to an increase in levels of mortgage interest payments. Most building societies raised their rates at the beginning of the month. There were also increases in the costs of motoring, increases in some articles of food and clothing, and higher prices for cigarettes and some household goods. These increases were partially offset by lower prices for seasonal foods, particularly fresh vegetables.

## First Titan buses for London Transport

After five years' intensive prototype testing, the first of Leyland's new-generation double-decker Titan buses has been handed over to London Transport which has 250 of them on order.

The Titan, a fully-automatic, 95-passenger, air-suspended, rear-engined bus is said to represent a major step forward in bus design, and to be the ultimate in present-day technology. Advantages include lower step heights, a better ride and much improved headroom for passengers, an ergonomically-designed driving compartment and an external noise level below that of many private cars. For the bus operator a planned 15-year life together with seven-year overhaul cycles should mean greater reliability and lower operating costs.

Leyland's investment in Titan is substantial and the manufacturing programme is well on target. Two prototype vehicles have been operating for a total of more than two years on London Transport routes, gaining experience which is now being built into production vehicles. Other prototypes are in passenger-carrying service in the west Midlands and south Yorkshire. Leyland now has orders from principal operators, in addition to London Transport, to cover the whole of 1978, 1979, and on into 1980.

The company has built over 95 per cent of the road fleet of double-deckers now in service. Leyland buses also carry millions of people every day in cities like Baghdad, Hong Kong, Caracas, Lagos, Cape Town and Copenhagen.

# Offshore centre organises special export conference

Members of European offshore industries will have an opportunity to analyse major overseas markets and to learn more about doing business in these countries at the Offshore Centre's special export conference in London on 25 to 27 September. This conference is among many events organised by the centre to co-ordinate business in the worldwide offshore industry.

**Founded**

Founded in 1974, the Offshore Centre has a membership which represents a complete cross-section of manufacturing and service companies from the UK, the continent and overseas which are active in developing their offshore resources.

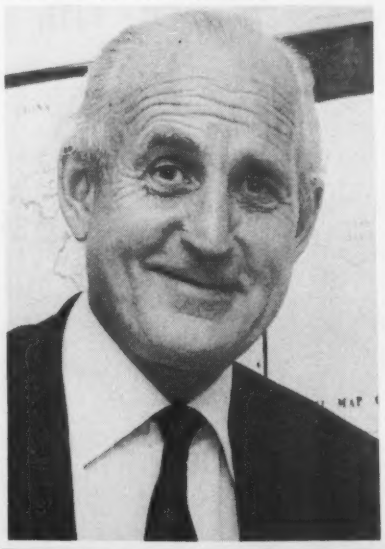
**Aim**

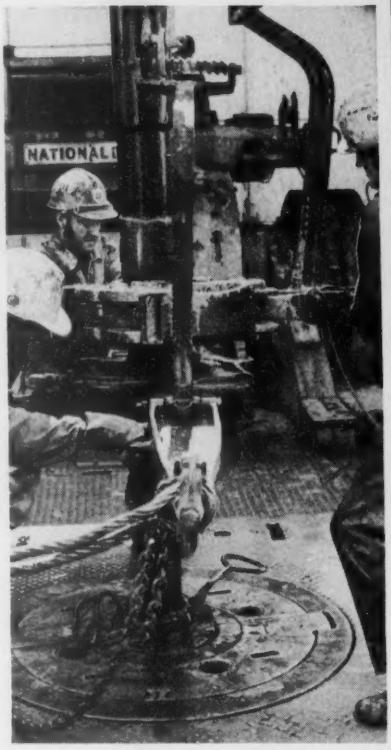
The aim of the centre is to assist members to increase their business. A personal advisory service is available to all members, which includes business introductions worldwide, co-ordination of appointments and the arrangements of both business and technical visits. Regular marketing meetings are held at the offices of the centre at 211 Regent Street, London W1, where leading oil companies, operators and contractors discuss their present activities, their future developments and their requirements for equipment and services. Apart from hearing at first hand the requirements of leading buyers in the industry, members have the opportunity for individual talks with senior executives.

**Conferences and seminars**

Conferences and seminars are organised by the centre with talks by specialists on subjects attracting current attention in the offshore industry. These meetings provide the opportunity for an exchange of views on the business potential arising from new developments in, for example, pipelaying offshore, or inspection, repair and maintenance.

Walter Drysdale, director of the Offshore Centre since its formation in 1974.





At least twice a year, special events called business workshops are held. These are intensive, two-day programmes filled with appointments between individual buyers and suppliers. The workshops afford the medium and smaller-sized companies an opportunity to meet a large number of leading contractors in a matter of only 48 hours. Additionally, savings on travel and accommodation are extensive, and the many contacts made can be followed up, at a later date.

On the international front, the Offshore Centre works wherever there are new markets opening up in offshore exploration and production. Regular fact-finding visits are undertaken. These are followed by business development meetings, organised in full co-operation with the governments and national oil companies of the countries concerned. Meetings have already been held in Brazil, Egypt, India, Mexico, Venezuela, Saudi Arabia and western Australia. A further programme of business development meetings includes China and Argentina, as well as follow-up meetings in the countries already visited.

**Meeting a need**

To meet the growing need for greater international co-operation in the offshore industry, the centre offers a new form of membership called the overseas business section. Members are given the opportunity of taking part in programmes which 'open the doors' for business co-operation through joint ventures, technical agreements, management service agencies and direct export of equipment.

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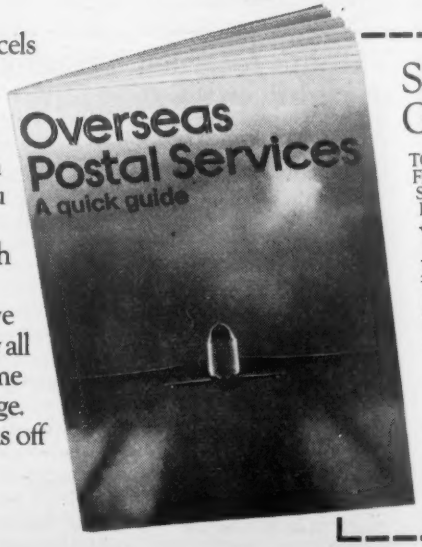


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## NEB invests £½m in energy equipment

The National Enterprise Board is to invest £500,000 in the Energy Equipment Company Ltd by subscribing for new capital in the company.

Energy Equipment designs, procures, constructs and commissions on a turnkey basis projects for the power industry. A large proportion of the fabrication work for these projects has been undertaken by Energy Equipment in its factory at Olney, Bucks, but a new factory at Milton Keynes has been ordered. The main projects and design staff will be at the new head office in Leighton Buzzard.

To enable Energy Equipment to increase overseas and domestic turnkey business, the company has invested substantial funds in fluid-bed combustion technology. NEB funds will be used primarily to develop the programme further, particularly in the export field.

The company has already converted a water-tube boiler at Cadbury's Bournville complex to fluid-bed combustion. It was installed in place of the original chain-grate stoker and its firing represented a major step forward in the commercial application of an atmospheric fluid-bed combustor to a water-tube boiler.

## Colt Balloons occupies Oswestry factory . . .

Colt Balloons Ltd have occupied an advance factory of about 450 m² built by the English Industrial Estates Corporation for the Development Commission on the Mileoak industrial estate, Oswestry, Salop.

Colt Balloons, which manufactures hot-air balloons, formerly operated at Tullamore in the Republic of Ireland and is transferring to larger premises at Oswestry to expand production. About 25 people are expected to be employed as production is built up over the next year or two.

## . . . and Morganite Ceramic Fibres expands at Bromborough

Morganite Ceramic Fibres Ltd is to occupy an advance factory of 900 m² built by the English Industrial Estates Corporation on the Department's site in New Chester Road, Bromborough, in the Merseyside special development area.

Morganite Ceramic Fibres Ltd is based at Neston, Cheshire, and is owned jointly by the Morgan Crucible Group and Babcock and Wilcox of the United States. The company, which manufactures high-temperature heat conserving material used as insulation in industrial furnaces and consumer products, transferred its converted products division from Neston to Bromborough last year, taking occupation of a 1350 m² advance factory which was immediately extended by 2400 m². This latest expansion is expected to create a further 40 to 50 jobs and even further expansion is planned in the near future.

## New company occupies Speke advance factory

Palace Chemicals, a newly-formed company, is to move into a 900 m² advance factory built by the English Industrial Estates Corporation on the Department of Industry's new estate in Speke Hall Road, Liverpool.

Palace Chemicals will use the premises for the manufacture of building chemicals, adhesives, paints and preservatives.

About 40 people are expected to be employed as production is built up over the next year or two.

## Merger proposals cleared

Secretary of State for Prices and Consumer Protection Roy Hattersley has decided, on the information at present before him, not to refer the following proposed mergers to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973:

BP Chemicals Ltd and certain European subsidiaries of Union Carbide Inc.

BP Chemicals Ltd and certain European subsidiaries of Monsanto Company.

The British Petroleum Co Ltd and certain assets of Veba AG.

E. Merck Ltd and Baird and Tatlock (London) Ltd.

J. M. Huber Corporation and American Association Ltd.

Birmingham and Midland Counties Trust and Weston-Evans Group Ltd.

Johnson and Firth Brown Ltd and Weston-Evans Group Ltd.

On the same grounds, he has also decided against the proposed merger between Preussag AG and Amalgamated Metal Corporation Ltd.

## Patents recorded 'licences of right'

Under section 46 of the Patents Act 1977 the register was noted 'licences of right' in respect of the following patents on the date specified:

**1 September 1978**

**1251474 Nissan Motor Co Ltd**
Hydraulic shift valve

**1255598 Nissan Motor Co Ltd**
Fuel tank of automotive internal combustion engine

**1271057 Nissan Motor Co Ltd**
Baulk ring synchronizer

**1274622 Nissan Motor Co Ltd**
Device to improve combustion efficiency in an internal combustion engine

**1275000 Nissan Motor Co Ltd**
A control system for an automotive automatic power transmission

**1282687 Nissan Motor Co Ltd**
Lubricating circuit of an automotive power transmission

**1287495 Nissan Motor Co Ltd**
Automotive steering column

**1288207 Nissan Motor Co Ltd**
A control system for an automotive automatic power transmission

**1295221 Nissan Motor Co Ltd**
Parking brake

**1295820 Nissan Motor Co Ltd**
Impact absorbing steering columns for motor vehicles

**1297864 Nissan Motor Co Ltd**
Windshield wipers for vehicles

**1298637 Nissan Motor Co Ltd**
Vehicular hydraulic brake system

**1302422 Nissan Motor Co Ltd**
Carburettors for internal combustion engines

**1316365 Nissan Motor Co Ltd**
Electronic protection device for an automatic power transmission of a motor vehicle

**1316822 Nissan Motor Co Ltd**
Crankcase blow-by gas recirculating system

**1318898 Nissan Motor Co Ltd**
A control system for an automotive automatic power transmission

**1323123 Nissan Motor Co Ltd**
Acceleration actuating device for fuel injection system

**1324873 Nissan Motor Co Ltd**
An internal combusion engine with fuel injection

**1325015 Nissan Motor Co Ltd**
Electronic control device for automatic power transmission mechanism

**1325501 Nissan Motor Co Ltd**
A centralized air-pollution alleviating for a vehicle system

**1500640 Nissan Motor Co Ltd**
High-temperature abrasion-resistant material and method of producing same

**1501027 Nissan Motor Co Ltd**
Heat and sound insulator or curved corrugated paperboard and method of producing same

**1409091 Rankel Turbines Ltd**
Improvements in or relating to rotary compressor and drive units for refrigeration systems

**1409092 Rankel Turbines Ltd**
Improvements in or relating to the direct cooling of air

**1409093 Rankel Turbines Ltd**
Improvements in or relating to hydraulic turbines

**1457761 Rankel Turbines Ltd**
Improvements in or relating to hydraulic turbines

**1457762 Rankel Turbines Ltd**
Improvements in or relating to gas turbine engine type hot gas generators

**1457763 Rankel Turbines Ltd**
Improvements in or relating to gas turbine engines

**1503192 W. and T. Avery Ltd**
Strip or sheet transferring

**1503193 W. and T. Avery Ltd**
Improvements relating to printers

**1503195 W. and T. Avery Ltd**
Weighing apparatus with tare facility

**1503196 W. and T. Avery Ltd**
Printer control circuitry

**1217972 J. and S. Eyres Ltd**
Improvements in metal fittings

**1245245 EMI Ltd**
Improvements in or relating to proximity fuses for missiles

**1267220 Daimler-Benz Aktiengesellschaft**
Controlling spin of the driven wheels of a motor vehicle

**1329309 Wass Pritchard and Co Ltd**
Improvements in or relating to liquid-containing capsule coated sheet material

**1484496 Raffinerie Tirlemontoise**
Apparatus for continuously separating debris from beets or other roots or tubers

**1505594 Splintex Belge SA**
Electrical circuit panel having a lead-in wire connector

Any person who claims that the proprietor of the patent is, and was at the time of the entry, precluded by a contract in which the claimant is interested from granting licences under the patent may, within three months after the making of the relevant entry, apply to the Comptroller on patents form 31/77 for cancellation of the entry.

I. J. G. Davis, Comptroller

## Endorsement 'licences of right' cancellation

Under section 36 of the Patents Act 1949, the following application for cancellation of endorsement 'licences of right' has been received.

**1308680 Ali Bindernagel**
Improvements in the manufacturing of seamless tubing

Any person may give notice of opposition to the application by filing patents form 46 at the Patent Office, 25 Southampton Buildings, London WC2A 1AY, within one month from the date of publication of the Offical Journal (Patents) dated 20th September 1978.

I. J. G. Davis, Comptroller

# New publications

## End to economic isolation

Economic policy can no longer be determined by individual nations in splendid isolation. The fixed geographical distribution of raw materials and the growing demand for them from an increasingly industrialised world makes economic interdependence a prerequisite of economic survival.

No country knows this better than the United States where one in every six manufacturing jobs and one in every three acres of farmland produces for the export market while 13 of the 15 key industrial raw materials must be imported. This data comes from a collection of essays by C. Fred Bergsten of the US Treasury, who examines a selection of recent factors affecting the international economic system and suggests possible future changes. His investigations include the international monetary system, world trade, raw materials and multinational corporations as well as some particular applications to the United States.

Although obviously addressing himself to a United States audience, Mr Bergsten presents an interesting and readable selection of ideas concerning the wider implications of the framework which supports the international economy.

**Managing international economic interdependence: selected papers of C. Fred Bergsten 1975-76,** by C. Fred Bergsten. Lexington Books, 1978. 317 pages. £13.00 (ISBN 0 66901516 4).

## Comparing company accounts

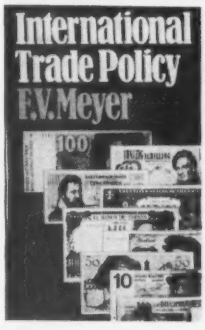
There has been a tendency for studies of financial accounts to concentrate either on the broader macro-economic issues – flow of funds, investment problems and raising capital – or on the more specific aspects of the behaviour of individual firms. However a new approach has been taken by Meir Tamari in 'Some international comparisons of industrial financing'.

In a comparison of company accounts, he relates them to the financial and social framework in which the business organisations operate. Concentrating on four western economies – the UK, United States, Japan and Israel – which illustrate variations in size, wealth, social and economic philosophies and rates of economic growth, the author examines various aspects of corporate behaviour.

He throws light on many interesting questions. How does the degree of gearing in the capital structure of industrial companies and the pattern of profit distribution vary? What is the impact of government intervention on the level of borrowed capital employed? Mr Tamari reassesses many widely held theories to look at their true validity and to see whether it is possible to have general financial theories equally applicable to different economies.

**Some international comparisons of industrial financing: a study of company accounts in the UK, USA, Japan and Israel,** by Meir Tamari. Technicopy Ltd, 66 High Street, Stonehouse, Gloucestershire, GL10 2NA. 1978. xiv, 154 pages. £10.75.

## Technology and trade




In his latest publication on international trade policy, Frederick Meyer, reader in internaional economics at Exeter University, describes peace through commerce as 'a praiseworthy objective'. He contrasts what he describes as the 'Pax Britannica' of the late nineteenth and early twentieth centuries, which, he says, sought to integrate the world economy through unilateral free trade, with the 'Pax Americana' of the third quarter of the twentieth century, which seeks integration through the contractual freeing of trade. In a closely reasoned argument, he demonstrates how recent technological changes, with its effect on manufacturing industy, has influenced the pattern of international trade in the postwar years.

The increasing cost of research and development, he argues, and the contraction in the market life of products, have combined to make it necessary for firms to sell the largest possible output in the shortest possible time. The United States, as the most R&D-intensive economy, has led the way to the change from inter-trade, between countries, to an 'intra-trade' pattern, where firms specialise in a limited range of technological products and buy in others.

Studying the effects of this change on the European Communities, Japan and the less developed countries, the author observes that responses to the UK's recurrent trading problems might have been different if it had been realised that they resulted from late recognition of the significance of this new pattern of trade rather than from inefficiency in the more traditional inter-trade.

He concludes that international trade in agricultural products is likely to remain the most protected and that there may be few more Gatt negotiating rounds. The book appeared shortly before publication of the 'framework of understanding' arrived at in the most recent discussions in the Tokyo round, of multilateral trade negotiations, in Geneva in July (*Trade and Industry*, 21 July 1978, page 138), but the author would no doubt welcome the statement that delegations were 'working towards . . . a substantial degree of liberalisation compared with the Kennedy round'.

**International trade policy,** by F. V. Meyer. Croom Helm, 1978. 234 pages. £9.95 (ISBN 0 85664173 1).

## Developing new products

Days when one could create a better mousetrap and see the world beat a path to one's door have long gone, say the authors of 'Systematic new product development'. Messrs Douglas, Kemp and Cook agree that most new goods or services are developed with a target market in mind and are usually subjected to some form of market research. Their definition of 'product' is a catholic one – anything which requires marketing to anybody – and they argue that a systematic programme of new product development is as relevant to industrial products as to consumer ones.

The authors put the emphasis on a combination of techniques for putting new developments into operation. These include making a study of a company's strengths, allowing for generation of ideas, and making provision for market research and forecasting. The authors back their advice with working examples from their experience as consultants in this field.

This work is not intended to be a do-it-yourself manual, or to set down any firm guidelines, but rather to put forward ideas for a systematic programme, which could prove better, cheaper and more reliable than any non-systematic approach to new product development.

**Systematic new product development,** by Gordon Douglas, Philip Kemp and Jeremy Cook. Associated Business Programmes, 1978. vii, 173 pages. £8.95 (ISBN 0 85227202 2).


## A library for exporters

Trade and other economic statistics from almost every country in the world, including the UK, are available for reference in the Statistics and Market Intelligence Library at Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 368/369, telex 886143 (DTI Export LDN). A modern well-equipped library of over 100 000 volumes, it has a public reading room equipped with microfiche readers and photocopying facilities. Among the documents available are foreign trade directories covering some 170 countries and selected trade fair catalogues. The library is open from 09.00 to 17.30, Monday to Friday (last passes for the building are issued at 17.15).

# Technology news

## Activated charcoal development features in NRDC investment increase

Production of a novel cloth consisting of fibres of activated charcoal is being developed by a new company, Charcoal Cloth Ltd of Wimborne, Dorset, in a joint venture with the National Research Development Corporation. This is one of the 95 new development projects for which the corporation provided finance in 1977/8, 46 of which were joint ventures with industry. These figures, according to the corporation's annual report published on 19 September, represent a substantial increase in its rate of investment in new technology projects.

Charcoal cloth is a unique new product possessing the characteristics of a cloth, but with enhanced filtering capacity. The charcoal fibres display a much greater surface area per unit weight than the best granular or powered charcoal, and the resulting adsorptive activity for vapours, gases or molecular dispersions in liquids is correspondingly greater. On saturation, the cloth can be reactivated by the application of heat without damaging its strength, and it can thus be re-used many times. The high initial rate of adsorption and low susceptibility to adverse effects of adsorptive activity by moisture, allied with the convenience of a cloth, combine to offset the material's higher cost compared with existing forms of activated charcoal.

Expected uses are in protective suits, respirators and facelet masks for many industrial situations presenting hazards to personnel; in the removal of odour or obnoxious gases from air-conditioning systems and the preservation of sterile or semisterile areas; and in the removal of unpleasant odours in the medical field. The charcoal cloth has potential applications in the purification of chemicals and water, as well as in effluent treatment. The cloth could also form the electrically conductive basis of electrical heating mantles for maintaining desired temperatures in complex shapes of containers and piping and in the provision of oven and gentle heating.

In the financial year ending March 1978, the corporation's project expenditure rose to £6 million, an increase of 37 per cent over the 1976/7 figure of £4.38 million. Total investment in respect of its 440 current development projects has now reached a figure of nearly £50 million.

Expenditure on joint ventures with industry during 1977/8 was up by 31 per cent, from £2.35 million to £3.08 million. At the end of the year, the corporation had 186 joint ventures with industry, including 46 new projects. Total investment in all joint ventures in existence at the end of the year was £25.58 million. Levies received from joint ventures amounted to £2.97 million compared with £2.15 million for the previous year.

The corporation's financial support for innovation in industry normally takes the form of a joint venture in which ownership of the invention and responsibility for its development and exploitation remain with the company concerned. In a typical joint venture the corporation contributes 50 per cent of the development and launching costs in return for a percentage levy on subsequent sales of the product concerned.

Licence income received by the corporation during 1977/8 was a new record of £17.02 million, up £1.78 million on the previous year. Overseas licences produced income amounting to £14.64 million, of which over £10 million was in US dollars. The corporation's licensing portfolio consists of more than 5000 UK and overseas patents and patent applications in addition to non-patentable property such as know-how and computer software. Exploitation of these rights is achieved by licensing the relevant property to British and foreign companies in return for royalties.

During 1977/8, NRDC's total income rose from £19.4 million to a new record of £20.1 million. The surplus after tax amounted to £4.78 million, compared with £5.24 million for the previous year.

Technology is interpreted very widely at the corporation. Development projects in the biosciences through computer systems to mechanical and civil engineering appear among the 95 new projects launched in 1977-78. Some examples follow.

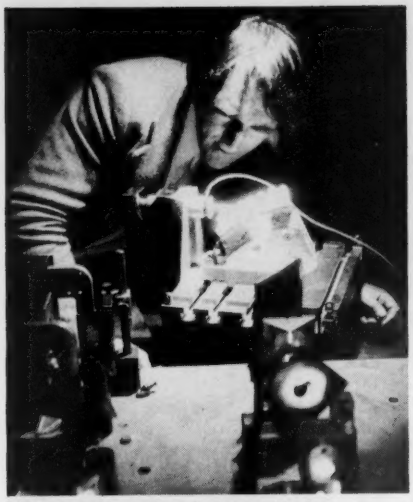
**Yeast genetic manipulation**

As part of its increasing interest in genetic engineering, the corporation has recently started to support a two-year exploratory pro-

A number of major ferry operators are interested in the British Hovercraft Corporation's Super-4, the stretched version of the well-proven SRN4. This Super-4 is the *Princess Anne*, which has been operating in the English Channel since July. BHC is a licensee of wholly-owned NRDC subsidiary Hovercraft Development Ltd.

### New chairman for NRDC

Sir Frederick Wood is to take over the chairmanship of the National Research Development Corporation from Lord Schon. His appointment by Eric Varley, Secretary of State for Industry, takes effect on 1 March 1979. Sir Frederick Wood has been a member of the corporation since 1973.



Laser speckle-pattern instrument being developed by Loughborough Consultants Ltd which offers unique advantages in the detection of flaws in bonding, discontinuity in welds and delamination.

gramme, at the Microbiological Research Establishment, Porton Down, which is designed to develop and evaluate new techniques of incorporating and achieving expression of foreign genetic material in yeast. On practical and theoretical grounds, yeast is a promising organism for exploring the potential of the new techniques of genetic manipulation for industrial purposes. Success would enable existing yeast products to be obtained by fermentation of different and more desirable starting materials, and provide an opportunity to produce useful products not normally made by yeast fermentations.

This project is speculative in the sense that it is designed to explore the techniques of yeast genetic manipulation, rather than, initially, to aim at specific fermentation products. However, given these techniques, a broad field of novel microbiological processes may emerge.

**Prompt project management model**

The installation of a computer system is a complex operation. It is not always achieved on schedule or within projected costs, nor do the systems always meet the standards set regarding efficiency in use, quality and reliability, or show the intended increase of profitability to the business. Simpact Systems Ltd investigated the reasons for these deficiencies and, as a result, created a project management model from which is being developed a novel series of techniques collectively known as Prompt. Prompt (an acronym of project resource organisation manpower and planning techniques) aids management in estimating, planning and controlling the complex and costly activities associated with the transfer of a manual data processing operation on to a computer.

Prompt lays down standard practices for recording, communicating and emphasising the information needed to control the introduction of a computer system from the acceptance of a feasibility study to the start of its routine operation. It provides a clear and logical method of recording the objectives and progressing the activities associated with the frequently changing requirements at each stage of the development, taking into account both business and technical considerations.

**Microprocessor-based programmable controller**

Endell (Southern) Ltd is a specialist supplier of temperature-measurement and control equipment. Much of the company's production goes to major electronic-equipment manufacturers for use in development and production test gear. Many requirements could be met more effectively with a modular controller incorporating user-programming facilities. The company has therefore entered into a joint venture with the corporation to develop a microprocessor-based controller design which will exploit the latest advances in hardware and software techniques.

**Road-speed governor**

A prototype road-speed governor for use on heavy vehicles is now under construction by East Kent Electronics Ltd. The governor design is such that there is no interference with vehicle performance other than to ensure that the maximum desired speed is not exceeded. This device is intended particularly for use on vehicles using motorways. The effect of wind resistance at high speed causes a significant increase in fuel consumption; if the speed can be held to a desired maximum, considerable fuel savings are possible and the vehicle designers can provide closer-ratio gearboxes to improve driving characteristics.

**Polar alidade plotter**

The cost and complexity of surveying instruments has increased substantially in recent years and has led to improvements in speed and accuracy of site surveying. However, there are many contracts on which the use of expensive equipment cannot be justified and there remains therefore a need for a simple low-cost surveying system that, with the minimum of delay, will provide accurate plans of limited areas.

Dr A. L. Allan of University College, London, has devised an inexpensive polar alidade instrument which can be used to record the angular relationship of features over a limited area, and this instrument is now being manufactured and sold by Surveying and Scientific Instruments Ltd. The alidade is set up at a reference position related to known points on the site, and the angular position of minor features is recorded on plastics discs. This procedure is repeated at a number of reference positions. Dr Allan is developing, with corporation funding, a plotting machine that will produce the site plans required from these marked plastics discs. The combination of alidade and plotter will provide a rapid and robust surveying system of particular interest to such users as local authorities and building contractors.

**Wax-pattern machine**

One of the basic steps in the production of investment castings is the manufacture of sound and accurate wax patterns. The importance of this step in manufacturing castings to precision standards cannot be over emphasised. At present patterns are made either by the injection of liquid wax or direct extrusion of semi-solid wax billets into dies, and production problems can occur with both methods. In the liquid-injection method difficulties arise from the large shrinkage which occurs on solidification, and in the direct-extrusion technique the problem is the preparation of sufficiently sound wax billets.

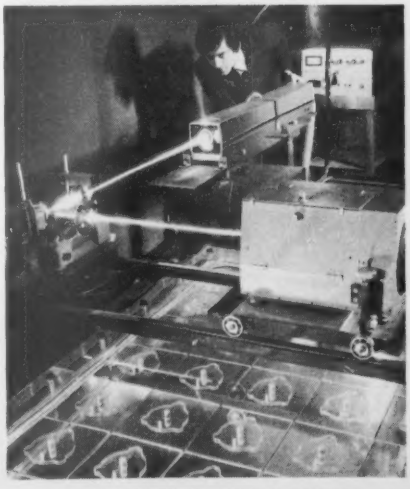
Epic Precision Tools Ltd already manufactures wax-pattern machines which use the liquid-injection and billet-extrusion methods. The company is now developing a new process based on the extrusion of wax flakes or granules which is expected to avoid the difficulties experienced with both existing methods. The corporation is supporting the development of the new process and the design, manufacture and development of an associated wax-pattern machine. The process development is being carried out by the Fulmer Research Institute Ltd on behalf of the company.

# UKAEA at centre of nuclear power programme

National and international statements and events have brought into public focus every major aspect of the nuclear power programme, including thermal reactor choice, fast reactor development, reprocessing and waste management. The United Kingdom Atomic Energy Authority's central involvement in these events is brought to the fore in its annual report for 1977/78, published on 12 September and available, price £2, from the authority, or HMSO. Income in 1977/78 totalled £73 million, of which £46.8 million was received for R&D products and services.

Energy secretary Tony Benn's decision to proceed with new advanced gas-cooled reactor (AGR) stations has enabled the authority to plan its future research and development programme on a firmer basis. The authority's AGR development work, as well as investigating further improvements to fuel, includes a programme jointly funded with the generating boards which is designed to assure the required core life through a series of special measurements in the Windscale AGR and the Central Electricity Generating Board's and

Laser doppler measurement, at the Risley Nuclear Power Development Laboratories, of water velocities in the narrow passages around a model of one style of insulation being considered for the commercial demonstration fast reactor.



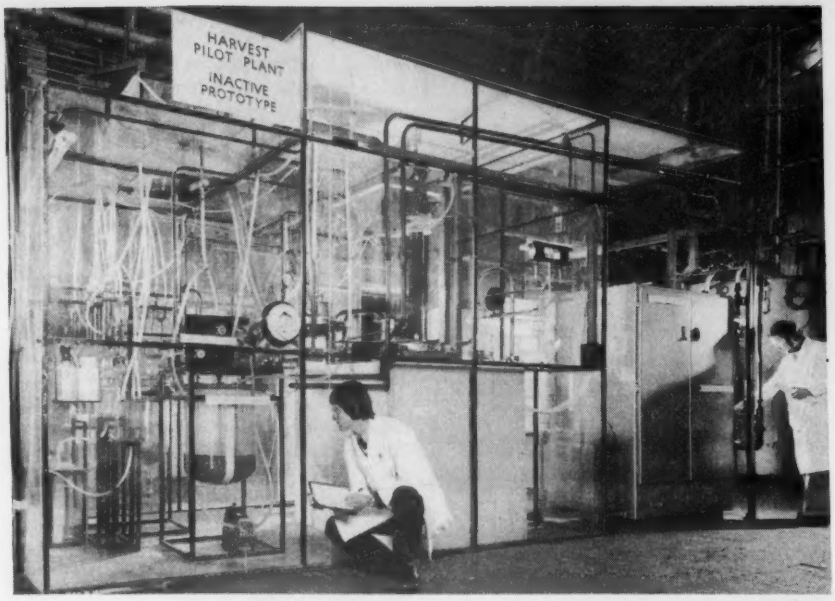
South of Scotland Electricity Board's operating AGRs.

The programme of investigation into pressurised water reactor (PWR) safety characteristics which the authority has been pursuing for some years has been reviewed to identify those areas which require more intensive analysis in view of the generating boards' decision to order a PWR station in order to establish the PWR as a valid option. The boards do not however consider that a start on site could be made before 1982.

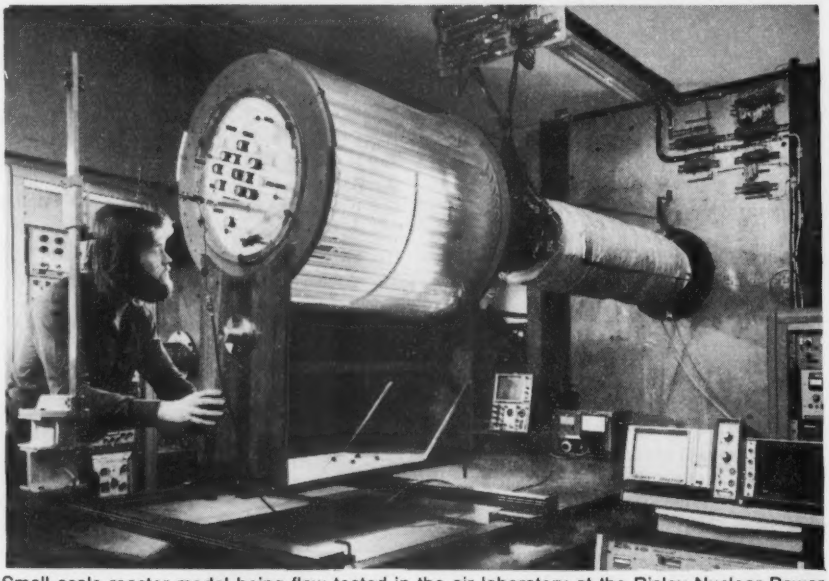
Successful operation of the prototype fast reactor (PFR) has made a valuable contribution to the demonstration of the safety and reliability of the fast reactor. Design work by the Nuclear Power Company on the commercial demonstration fast reactor (CDFR) has taken advantage of the accumulated experience on PFR. In addition, the authority has maintained an extensive development programme on the fast reactor through a comprehensive range of technical studies, giving particular attention to safety considerations and all aspects of the fuel cycle and waste treatment plants.

The UK now obtains more than 15 per cent of its electricity from nuclear power stations; when the three advanced gas-cooled reactor stations in the course of construction come into operation the figure will rise to about 20 per cent. The economic advantage to be derived from installing nuclear power is now well-established, nuclear power stations now generating electricity some 35 per cent more cheaply than coal-fired plant and 50 per cent more cheaply than oil (based on historic costs.).

The authority's programme of experimental work on reactor safety is being concentrated at Winfrith, where facilities are being expanded. Increasing attention has been paid during the year to possible safety problems arising from external accidents; progress has been made in theoretical and experimental work to study the impact of both hard and crushable missiles such as those typical of a crashing aircraft on a range of concrete structures. A new laboratory is being set up at Winfrith for further extension of this work.

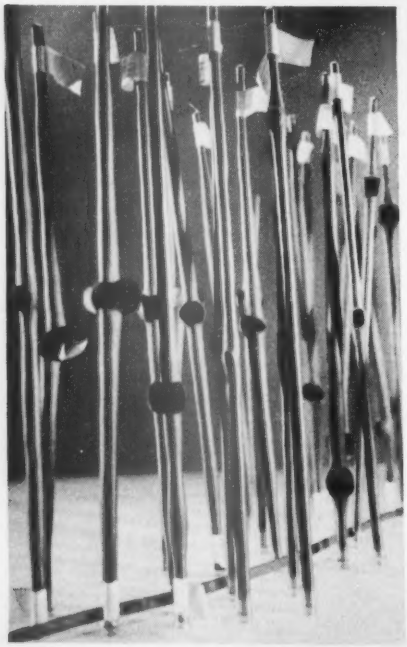



Highly radio-active waste glassification is simulated in this inactive pilot plant at the Windscale works of British Nuclear Fuels Ltd. The end process is one in which the liquid waste is mixed with silica and borax and heated in furnace to form glass which is cast in steel cylinders for storage underwater.



Small-scale reactor model being flow tested in the air laboratory at the Risley Nuclear Power Development Laboratories.

Pressurised water reactor fuel cladding specimens after ballooning/burst tests at Springfields Nuclear Power Development Laboratories.



In conjunction with British Nuclear Fuels Ltd work has continued on the development of a glassification process for highly-active waste, including collaborative work on the company's 'Harvest' project. Construction of a plant at Dounreay is being considered for demonstrating the glassification of waste from the reprocessing of fast reactor fuel.

The research programme on radioactive waste disposal into deep geological formations, which is being carried out in conjunction with the Institute of Geological Sciences and other national laboratories, has been expanded and now covers granite, clay-based and salt formations. A first conceptual design for an underground repository has been prepared and the National Radiological Protection Board, under contract to the authority, is carrying out modelling studies of the retention of radionuclides in such a repository.

The work undertaken by the authority on a commercial basis for the generating boards, the Nuclear Power Company, British Nuclear Fuels, The Radiochemical Centre, the European communities and other organisations has provided a total income of £20.7 million over the year. Overseas work has included several consultancy assignments relating to the safety and reliability aspects of nuclear power.

A substantial programme aimed at supporting national technological development and to the improvement of industrial efficiency outside the nuclear power programme is being pursued. In particular, the authority has increased the effort devoted to the development of non-nuclear energy. Work in direct support of the Department of Energy increased substantially during the year, reaching about £2.5 million in value.

# New products

**Freepost reader service**

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

## Scabbler works faster with less operator fatigue

A pneumatically operated machine for scabbling or dressing concrete is claimed by Joad Engineering Ltd to operate at rates three times higher – typically, 250 m²/day – than conventional scabblers and to reduce both operator fatigue and costs. A special attachment enables the pounder, as it is called, to roughen surfaces in corners and close to stanchions or other obstructions, thus virtually eliminating laborious hand scabbling. The manufacturers say that the equipment's unconventional free-piston design, with each piston mechanically independent of its surface-dressing bit, enables blow rates of 1480 a minute, and with about twice the impact energy of comparable machines, to be achieved.

Three tungsten carbide bits are offered, designed for normal scabbling, heavy reduction of surfaces and special texturing respectively. Only the machine's bit and bushes are subject to impact wear. The bush is a low-cost item, and the bit is considerably cheaper and easier to replace than the piston of a conventional machine. It incorporates an integral shank which effectively forms a new spindle each time a new bit is fitted. The machine's three wheels, including a rear castoring unit, prevent bits from dragging on the ground and give a high degree of manoeuvrability.

The bit design is claimed to permit a greater cutting width for a given number of cylinders than is possible with traditional scabblers. A two-cylinder version of the scabbler dresses a 200 mm wide strip, and a four-cylinder model covers a width of 405 mm. Dressing close to obstacles is possible even without the optional bolt-on single cylinder unit, which is designed to pound surfaces right up to walls, corners, and stanchions.

**Further information: circle 167**

## Wickman offers latest in machine-tool technology

Designed by John Stirk of Halifax in conjunction with the Wickman Group's central research department the 700 mm, single-spindle, chucking automatic is the first of a new generation of machines from the Wickman Group. This powerful metal-cutting machine is claimed to incorporate the very latest in proven machine-tool design and technology.

This entirely new machine is a heavy-duty, single-spindle chucking automatic with two compound slides allowing machining in four axes to an accuracy in accordance with MTTA standard 71. A six-station turret is mounted on each of the two slides, and the spindle speed is infinitely variable over a wide range. Apart from the hydraulically-controlled power chuck, all the machine's functions are powered by dc electric motors controlled by a Plessey 7340 cnc system or equivalent.

The bed configuration gives an extremely rigid construction with the cutting forces being taken between the shears, plus the added advantages of excellent swarf removal, minimum of floor space and convenient loading of the workpiece from the front of the machine. Apart from coolant and swarf removal equipment, the base houses an oil tank and pump for headstock and slide lubrication.

The headstock is a simple rigid box structure mounted directly onto the sloping bed. It houses the spindle, three drive shafts and the speed range gears. The spindle is carried in taper roller bearings, located at the front and the rear, which are pre-loaded to give rigidity. Regenerative braking of the dc motor is employed to reduce the spindle-speed to approximately 10 rev/min at which time an electromagnetic, multi-disc brake takes over for the final stopping.

The two component slide units are similar in construction and incorporate longitudinal and cross slides on separately mounted, hardened and precision ground slideways. Each slide motion is powered by a variable-speed, high-torque, dc servo motor driving a recirculating roller screw at 5 mm per shaft revolution, via a torsionally-rigid, flexible coupling. A six-station Fibrotact turret is mounted on each slide unit. These are modular units with a built-in motor for unclamping the tool carrier, indexing and reclamping. The hardened turret faces are designed to accept pre-set tooling. The numerical control system provides simultaneous control of both slides in the transverse and longitudinal planes. Standard equipment includes buffer storage, inch/metric input, absolute incremental programming and EIA/ISO tape coding. Extensive fault diagnosis facilities are provided, and routines accepted by the controller check the processor memory, interface and sub-assemblies such as the tape reader and crt display.

**Further information: circle 168**

## Big light box takes A0 size

Harbral Ltd has developed an extra large, variable-intensity, light box for drawing offices and studios. It has a working surface of 813 mm by 1524 mm and can accommodate A0 size drawing paper or film comfortably. A solid-state electronic control unit enables the conventional fluorescent tubes, used to provide the illumination, to be progressively dimmed from 'full brightness' to 'virtually off' to suit the external ambient light conditions and the drawing medium. The ability to alter the light intensity means that the light box can be used with the minimum of eyestrain while displaying the maximum amount of information.

The type HB10 light box can be fitted on a hydraulic drawing board stand which enables the height and working angle to be adjusted to the most comfortable position; or it can be mounted on a table supplied by Harbral and fitted with an incremental tilting arrangement.

The construction is of polished mahogany, with well rounded edges, which blends well with existing furniture. A chrome-plated tube is fitted to prevent the drawings from being trapped and crushed between the operator and the front of the box. A parking area for the draughting machine is provided on the left of the box and this is inlaid with cork to act as a pin board.

**Further information: circle 169**

Harbral's light box fitted with a draughting machine.

# Overseas trade news

## Shop steward joins export mission to Saudi Arabia

Senior shop steward, Norman Burge, a 47-year-old resin mixer and Transport and General Workers' Union official at Bristol Composite Materials Engineering Ltd, is one of the first shop stewards to join a British mission to Saudi Arabia and the first shopfloor representative to go on a Bristol chamber of commerce trade mission.

BCM – manufacturers of irrigation pipes, aircraft tanks, body armour and security screens – is sending him as part of its commitment to 'Export United', the campaign launched this year with TUC, CBI and British Overseas Trade Board backing, to encourage companies to involve all their staff in their export effort.

Alec Ewens, marketing director of BCM, also going on the mission, said that the company recognised the importance of having shopfloor involvement in the company's activities, particularly its relationships with customers from whom it hoped to get business.

The company's initiative has been praised by Roy Earnshaw, the Export United adviser. The success of British exports, he said, vital to the UK, depended on more involvement, and understanding, by the whole workforce in a company's activities. BCM was utilising a valuable opportunity to help bring this about.

Norman Burge (right) with Alec Ewens.

## BOTB conference on overseas advertising

'Profitable overseas promotion' is the title of a conference organised by the British Overseas Trade Board at the London Hilton Hotel on 26 October.

The conference is being aimed at the people in exporting companies who determine what resources should be devoted to promotion and advertising.

By presenting the experience of four successful exporting companies with different approaches to promotion and advertising overseas it is hoped to help the management of other exporting companies assess how promotion in overseas markets can affect profits.

The companies taking part will be, Cadbury Schweppes Ltd; JCB Sales Ltd, manufacturers of earth-moving and materials-handling equipment; the toy manufacturers, Mettoy Ltd; and Stafford Miller Ltd, a medium-sized, fast-growing toiletries and pharmaceutical company. The presentations will be made by Professor Robert Mackenzie.

The conference will be chaired by Sir Frederick Catherwood, chairman of the British Overseas Trade Board, and Sir Nicholas Henderson, British ambassador in Paris, will be the lunchtime speaker.

George Clare, group director of the German publishing group, Axel Springer Verlag AG, will review the media opportunities open to British companies overseas.

'Profitable overseas promotion', arranged in association with the Institute of Practitioners in Advertising, is one of four 'Export United' conferences being organised by BOTB in 1978 to emphasise the importance of, and examine, non-price factors in exporting.

## IMF finds 1977 growth slow and uneven

Taking stock of developments in the world economy during its third year of recovery from the most severe recession in four decades, the 1978 annual report of the International Monetary Fund, released on 17 September, characterises the past year as one in which those developments were again unsatisfactory in some important respects. World output and trade continued to increase in 1978, but the pace of domestic expansion in the industrial world, which had been satisfactory during the first year or so of the recovery period, became slow and uneven, contrary to earlier expectations.

The report notes that the slowdown was general among industrial countries other than the United States. Historically, high levels of unemployment persisted, especially in Europe, and the growth of world trade slowed. Despite some easing of inflation in industrial Europe and Japan, unduly high rates of inflation continued to mar the economic performances of many countries, both in the industrial group and (even more so) among the primary producers. Mainly because of marked inequalities in rates of growth and inflation, especially as between the United States and several other large industrial countries, international payments relationships featured a maldistribution of current account balances among major industrial countries and were marked by periods of disturbing instability of exchange markets.

The report points out that these circumstances presented a number of serious hazards The combination of slow growth of world trade and high unemployment appeared to be causing countries to increasingly resort to protectionist actions and there was the danger that these might escalate. The prevailing conditions thus threatened to create an environment unfavourable to the trading interests of all countries.

The report observes that the need for an effectively co-ordinated strategy of policies to restore satisfactory growth and price stability and to improve the functioning of the international adjustment process has been becoming progressively clearer. The interdependence of the various national economies is such that the authorities in each of them must take adequate account of conditions and policies in the others when formulating their programmes. The gradual evolution of a consensus among international financial officials regarding an appropriate strategy for doing so, is in the interests of their common objectives.

## Nigeria's development is subject of Lagos conference

Nigeria's future development in the context of her determination to rapidly industrialise her economy in the best interests of her people will be the theme of an international business conference to be held on 27 and 28 November at the Federal Palace Hotel, Lagos.

Key speakers will include the chairman of the Nigerian Industrial Development Bank, Chief O. Akinkugbe; the director of the National Policy Development Centre, Dr U. Eleazu and the chairman of New Nigerian Newspapers, Chief S. Adebo, plus many other distinguished speakers and panelists including senior government officials representing Nigeria's federal commissions for trade and industry and Lagos commission for industry, trade and co-operatives.

Sponsored by the Nigerian-British Chamber of Commerce and London Chamber of Commerce and Industry in co-operation with the Lagos Chamber of Commerce and Industry, the conference is being organised by the IC Conference Division, International Communications Group in co-sponsorship

with *African Business* and *New African Magazine*.

**More information**
More information can be obtained from Lee Warren or Roger Shashoua, IC Conference Division, 63 Long Acre, London WC2, tel. 01-836 8731 ext. 61.

## South Africa: code of conduct

British companies employing black Africans in South Africa are expected to report to the Department of Trade by 30 September in line with the code of conduct adopted by the governments of the European community for their national companies in South Africa.

In May, Secretary of State for Trade Edmund Dell wrote to the chairmen of approximately 350 British companies believed to have South African interests, drawing attention to a white paper (Cmnd 7233) setting out the government's guidance on the code of conduct.

Companies which satisfy the criteria set out in the white paper were asked to publish a report (in a recommended format) by 30 September each year showing the progress made in implementing the code of their affiliates in South Africa in the 12 months to the preceding 30 June.
Inquiries: CRE 01-215 5276.

## First ECGD-buyer credit loan to Botswana

The first buyer credit loan to Botswana, backed by the Export Credits Guarantee Department, of $3.6 million has been made available to BCL Ltd, Botswana.

The loan, arranged by Standard Chartered Merchant Bank acting on behalf of Standard Charter Bank, will help finance a contract of over £2 million awarded by BCL Ltd to Air Products Ltd of New Malden, Surrey, for the supply of a 220 metric tons per day oxygen plant at Selibe-Pikwe near Gaberone, Botswana.

## De-briefing on recent China trade mission

A de-briefing meeting on last month's trade mission to China, which was led by Edmund Dell, Secretary of State for Trade, will be held from 15.00 to 17.30 on 4 October in the council chamber at the headquarters of the Confederation of British Industry, 21 Tothill Street, London SW1.

The meeting will be chaired by Lord Nelson of Stafford and is to be free of charge to any interested companies. It will provide an opportunity to hear the reports on the China market of several industrialists who accompanied Mr Dell on his mission.

For further details on this and the reception, to be held after the meeting at the China Businessmen's Club, contact the Sino-British Trade Council, 25 Queen Anne's Gate, London SW1H 9BU, tel. 01-930 9545 or 9600.

## Electrical directory for exporters

A comprehensive list of UK companies that manufacture components approved in six important foreign markets – Canada, Denmark, Federal Republic of Germany, Norway, Sweden and the United States – has been published by Technical Help to Exporters, the export advisory service of the British Standards Institution, in its 'Electrical components directory'. The addresses of over 730 manufacturers, together with the names of the organisations that have given approval, are listed under 119 component headings.

The information will enable an appliance or equipment manufacturer exporting to these countries to identify UK suppliers of approved components, and so save both time and money. THE hopes eventually to expand the directory to include other European countries and other product areas.

Produced in a handy A5 format, the 'Electrical components directory' costs £10.00 to THE members, £12.00 to non-members, and is available from the Sales Office, Technical Help to Exporters, British Standards Institution, Maylands Avenue, Hemel Hempstead, Herts, tel. 0442 3111.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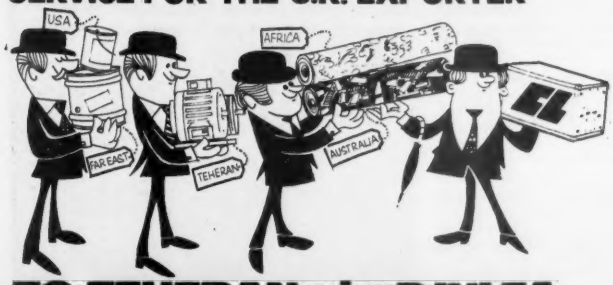


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# Customs notices of interest to exporters

The following public notices issued by HM Customs and Excise relate to various aspects of export procedure. Copies of these notices may be obtained from local offices of Customs and Excise, addresses of which appear in the telephone directory or from the Secretary, HM Customs and Excise, 39-41 Mark Lane, London EC3R 7HE.

| | |
|---|---|
| 7 | Drawback of excise duty on mixed or blended beers. |
| 17 | Arrangements for preferential trade between the Channel Islands and the United Kingdom. |
| 49 | Temporary importations: international co-operation. |
| 104 | ATA Carnets. |
| 112 | Authorised hours for customs work at ports, airports and in long rooms and charges for attendance given at the request of merchants. |
| 112A | Charges for attendance given at private premises at the request of merchants. |
| 118 | Samples imported for promoting export trade. |
| 172 | Hydrocarbon oils: drawback of excise duty. |
| 207 | Re-imported goods: relief from customs duty and value added tax. |
| 210 | Temporary importation of films and similar goods for copying, printing, etc., to fulfil export orders. |
| 221 | Duty relief under the Import Duties Act 1958, and pre-financing of common agricultural policy export refunds. |
| 224 | Beer exported on drawback as merchandise: examination and sampling. |
| 241 | European Economic Community: compensatory levy. |
| 275 | Documentation of exports for statistical purposes. |
| 276 | Customs entry forms in the C273 series: guidance on their completion |
| 290 | Export of personal and household effects. |
| 291 | Effect of budget changes on claims for drawback. |
| 300 | Export reliefs scheduling scheme. |
| 703 | VAT – exports. |
| 704 | VAT – retail export schemes. |
| 705 | VAT – tax free sales of motor vehicles to tourists, etc. |
| 750 and Supplement | Community transit – this describes the system as a whole. |
| 750A | List of community transit offices. |
| 750B | Community transit – extension to cover Austria and Switzerland. |
| 751 and Supplement | Notes on completing community transit forms T1, T2 and T3 and control copy T forms. |
| 751A | Notes on completing community transit movement certificates. |
| 752 | Free circulation of goods in the European community. |
| 753 | Community transit – the simplified procedure for goods carried by rail. |
| 754 | Community transit – intra-community treatment of the catches of fishing vessels registered in member states. |
| 755 | Community transit – special control procedures. |
| 756 | Instructions on the use of loading lists as the descriptive part of community transit forms T1, T2 and T3. |
| 757 | Community transit – pre-authenticated movement certificate Form T3L. |
| 774 | Hydrocarbon oils customs duties: additions of *ad valorem* protective element. |
| 800 (Aug 1975) | The European Economic Community. Common agricultural policy: customs procedures in respect of export refunds, levies and licences. |
| 810 (July 1976) | EEC preferences – free trade agreements between the EEC and Efta countries. |
| 811 | EEC preferences – Greece. |
| 812 | EEC preferences – Turkey. |
| 813, 813B | EEC preferences – Israel. |
| 814, 814B | EEC preferences – Malta. |
| 818 | EEC preferences – Egypt. |
| 819 | EEC preferences – Cyprus. |
| 820, 820A | EEC preferences – Lebanon. |
| 821 | EEC preferences – simplified procedure for sending evidence to EEC customers about the origin of goods. |
| 825 | The ACP/EEC Convention of Lomé: tariff preferences. |
| 830 | Arrangements between Denmark and United Kingdom. |

## Merseyside sponsors LA mission

Merseyside Chamber of Commerce and Industry is sponsoring a mission to the United States. Further details of the mission, which will be centred on Los Angeles, from 27 January to 10 February 1979, can be obtained from P. H. Hordley, Merseyside Chamber of Commerce and Industry, 1 Old Hall Street, Liverpool L3 9HG, tel 051-227 1234.

## Birmingham chamber plans Arabic revision course

Birmingham's chamber of industry and commerce has designed an advanced Middle East revision course in response to demand from participants in the chamber's highly successful Middle East orientation courses, which have now been running for over a year.

The new course will cover two days and two have been scheduled for 17 and 18 October and 22 and 23 November. The course will be conducted by Bernard Butler, the lecturer for the orientation courses, who has lived and worked in the Middle East for 14 years.

As well as revision of the colloquial Arabic element of the orientation courses, participants will learn additional vocabulary especially useful to the visiting business man. Time will also be spent on the Arabic alphabet and on contemporary issues including political problems and pressures of the industrial age.

Places on the revision courses are not exclusively for graduates of the Birmingham chamber's own Middle East orientation courses and anyone interested in participating should contact Graham Ashmore, Birmingham Chamber of Commerce and Industry, PO Box 360, 75 Harborne Road, Birmingham B15 3DH, tel. 021-454 6171.

## British design goes further afield

In the article on the overseas work of members of the Royal Institution of Chartered Surveyors (part of the article 'British design goes further afield', *Trade and Industry*, 25 August), the reference to the anticipated cost of the national assembly hall in the UAE (page 457, column 3), should have read '£6 million', and not '£600 million'.

## Furniture bowling them over in Finland

**Sir James Cable, British ambassador to Finland, relaxes after opening a display of British furniture at the Kruunukaluste store in Tampere on 29 August. The bulk of the furniture on display came from Bowling Reproductions of Llanelli. The firm is confident of repeating in Finland its success in selling to Sweden.**

# Notices to importers

**Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH. Telephone inquiries should be addressed to the number at the end of the notice.**

## 1707: imports in 1978 of restricted textiles from Taiwan: revised quota levels

Notice to importers 1674 (*Trade and Industry*, 14 April 1978), gave details of quota levels for imports into the UK of restricted goods from, among others, Taiwan. The EEC has now agreed revised levels to apply for 1978 on certain categories of goods imported from Taiwan and these are set out below:

| Category/Tariff heading/ Description of goods | Units | 1978 quota |
|---|---|---|
| **5/ex 60.05** Knitted or crocheted jerseys, pullovers, slipovers, twinsets, cardigans, bed-jackets and jumpers, of cotton, of man-made textile fibres, of wool or of fine animal hair, *other than babies' garments* | '000 pcs | 7 200 |
| **7/ex 60.05, ex 61.02** Women's, girls' and infants' (*other than babies'*) blouses and shirt-blouses, of cotton, of man-made textile fibres, of wool or of fine animal hair | '000 pcs | 260 |
| **23/ex 56.05** Yarn of regenerated textile fibres (discontinuous or waste), not put up for retail sale | Tonnes | 65 |
| **37/ex 56.07** Woven fabrics of regenerated textile fibres (discontinuous or waste) | Tonnes | 1 100 |
| **61/ex 61.02** Women's, girls' and infants' (*other than babies'*) woven outer garments, of cotton, of man-made textile fibres, of wool or of fine animal hair, the following: bath robes, dressing gowns, bed-jackets and similar indoor wear; garments of textile fabric of heading no. 59.08, 59.11 or 59.12, *other than coats (category 15A)*; other outer garments, *other than the foregoing, other than swimwear and other than garments in categories 6, 7, 15A, 15B, 21, 26, 27, 29, 76 and 80* | Tonnes | 65 |
| **112/ex 62.05** Other made-up textile articles (including dress patterns), of cotton, of man-made textile fibres, of wool or of fine animal hair, *other than floor cloths, dish cloths, dusters and the like* | Tonnes | 30 |

The additions to the quotas will be allocated to those traders who have already applied and been granted import licences under the terms of notice to importers 1649. Import Licensing Branch will be contacting all such traders and there will be no need for them to apply individually.

Traders should note that all licences issued under 1978 quota arrangements are valid only for goods shipped on or before 31 December 1978.

Inquiries: Import Licensing Branch, tel. 01-603 4644 ext. 367.

## 1708: imports of cotton yarn from Turkey

As already announced, the EEC has imposed a restriction on imports into the UK of cotton yarn, not put up for retail sale and originating in Turkey. The yarn affected is as follows:

| MFA Cat./Tariff heading/Description |
|---|
| **1/55.05** Cotton yarn, not put up for retail sale |

Imports of cotton yarn originating in Turkey were already the subject of surveillance licensing. Outstanding licences issued under those arrangements in respect of this newly restricted yarn were revoked with effect from 20 September 1978.

**Goods in transit**

Cotton yarn in transit to the UK on 19 September 1978 will be licensed. Traders should apply as soon as possible, and not later than 6 October 1978, in respect of such yarn, submitting to Import Licensing Branch documentary evidence (ie bill of lading or airway bill) of the date of shipment of the yarn in support of a completed form ILB/A.

No further imports of this newly restricted yarn originating in Turkey and intended for home consumption will be permitted in 1978.

Traders who are already committed to orders placed before the imposition of restrictions may therefore wish to consider diverting such goods to other markets willing to take them.

**Imports for re-export**

The general import licensing arrangements for restricted textiles re-exported from the UK are set out in NTI 1441.

Inquiries: Import Licensing Branch, tel. 01-603 4644 ext. 367.

# Start of a new commercial era brings export possibilities

**Ratification of the Panama Canal treaties between Panama and the United States in June this year marks a new phase in Panama's history. Robert John, who until recently was British ambassador in Panama City, describes the opportunities for British business there.**

The *Queen Elizabeth 2*, the largest passenger ship to transit the Panama Canal, moves through Miraflores locks during a north-bound transit on her second round-the-world cruise in 1977.

Entry into force of the Panama Canal treaties in September next year will bring to an end a period of almost 75 years of semi-colonialism on the isthmus of central America. And with it will come a new opportunity for Panama to exploit its traditional geographical position at the crossroads of the world. The commercial impact could be considerable.

For Britain, trade promotion in Panama has centred on three rather different targets: first the use of the Colon Free Zone as a point of entry into the whole of the Latin American market, principally for consumer goods; secondly, the Panamanian domestic market, which is relatively small, since the population does not reach 2 million, relatively few of whom are in the market economy – although the importance of the tourist market, which can be lucrative for consumer goods, must not be underestimated; and thirdly, the prospects for investment in copper, and for the supply of equipment for the new mine at Cerro Colorado, probably the largest unexploited copper deposit in the world.

### UK share of these imports

Panama's population at the last official count was 1.7 million, with about 500 000 resident in Panama City itself. Its imports, including those for re-export through the free zone, totalled £874 million in 1977 with exports, again including re-exports via Colon, reaching a figure of £620 million. UK share of this business was £23.8 million – £16.2 million to the free zone and £7.6 million direct to the republic. These figures are preliminary and may be modified when the final calculations are complete, but they tally with UK export statistics. Effectively, therefore, this means that the UK supplies about 2.7 per cent of all Panama's imports, most of which go into the free zone. Panamanian importers also buy in large quantities from their own free zone, which enables them to hold stocks in Colon under more secure conditions, and at less expense.

### Main competitors

The UK's main competitors in Panama are the United States, which took 25 per cent of all imports in 1977, and Japan, which had 15.9 per cent in the same year. Some idea of the size of the market is given by the fact that exports from the free zone in 1977, largely into Latin America, are calculated to have been worth £481 million sterling. Britain ought to be able to get a much larger chunk of this business and to seize this opportunity to re-establish its position in the consumer goods market of Latin America.

Export possibilities in Panama can be identified in a number of sectors. At this stage, they are principally consultancy projects.

☐ Railway studies: actual and potential operating costs and benefits; improvement for container operation and transport of petroleum.

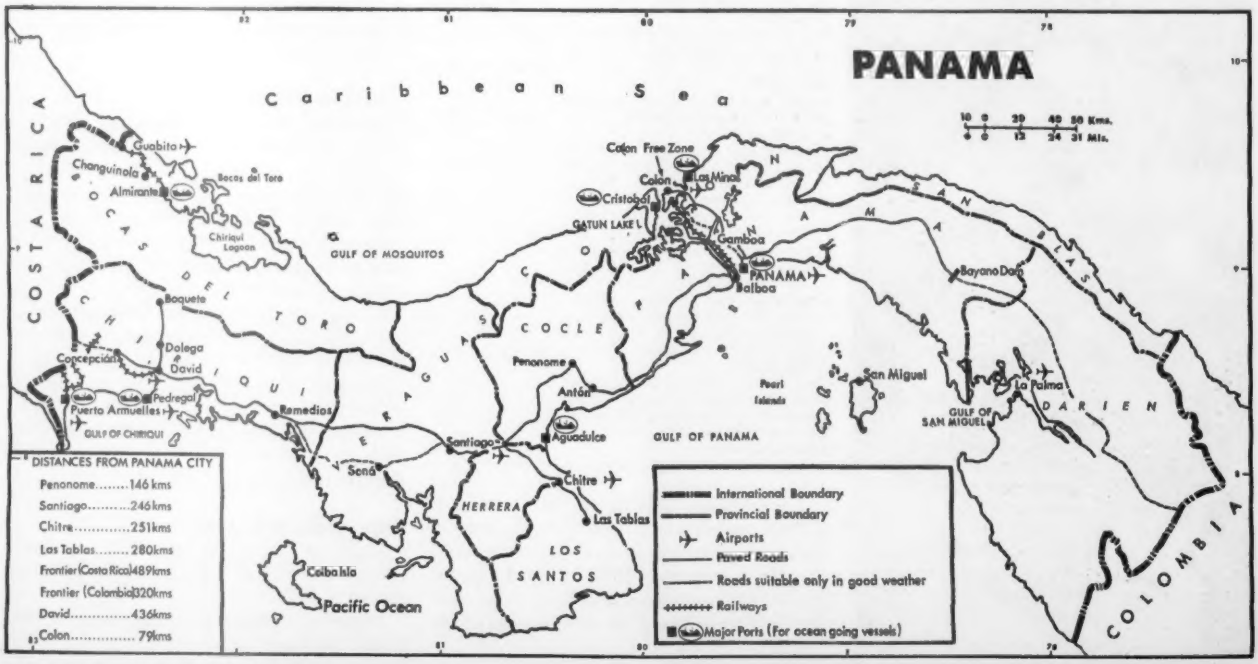
☐ Location and market analysis for container port on the Pacific side (Balboa).

☐ Analysis of international maritime tariffs between Panama and the principal ports served from Panama; policies and mechanisms to influence tariff levels so as to make Panama the most competitive port.

☐ Conversion of dry docks for repair and maintenance of ships.

☐ Analysis of the ports of Balboa and Cristobal under the following headings: present operations; needs of maintenance and service; possible expansion of operations; correlation of the railway and the container ports.

☐ Use of Albrook Field – a United States Air Force base on the Pacific side of the isthmus – as a commercial zone in correlation with the port and the railway.



### Colon Free Zone re-exports 1976

Total value (fob) of re-exports was $651,020,000, re-exported to the following trading areas (percentages):

| | |
|---|---|
| United States | 5.5 |
| Central American Common Market | 12.9 |
| South America and Mexico | 45.2 |
| Brazil | 8.5 |
| Mexico | 3.8 |
| Colombia | 5.3 |
| Chile | 3.4 |
| Ecuador | 8.3 |
| Venezuela | 8.6 |
| Caribbean (Caricom) | 1.1 |
| Remainder of Latin America | 28.7 |
| Dutch Antilles | 12.1 |
| Panama | 9.5 |
| Dominican Republic | 1.6 |
| Cuba | 0.7 |
| Europe | 2.2 |
| Switzerland | 0.3 |
| UK | 0.05 |
| Spain | 0.6 |
| Asia | 2.2 |
| Hong Kong | 0.5 |
| Indonesia | 0.6 |
| Israel | 0.9 |

**A part to play**

British know-how and consultancy expertise have a part to play in these sectors which, if carefully handled, could in the long-run greatly increase Britain's importance in the Panamanian scene.

No Panamanian these days is seriously anti-American, but many feel the need for a second opinion, particularly from other English-speaking countries, on the alternatives before them. Canada has been very active in this field in recent years – Britain less so. However, Panama is not predominantly an English-speaking country, and to do business there effectively companies must either send Spanish speakers, or employ a local agent.

## UK businessmen going overseas

British businessmen intending to travel overseas are urged in their own interests to make the earliest possible contact, before going abroad, with the Export Services and Promotions Division of the Department of Trade (at the appropriate regional office for firms outside London, and Export House, 50 Ludgate Hill, London EC4M 7HU for firms in London and the South East of England). The department, in co-operation with commercial officers at embassies, high commissions and consulates overseas, is in a position to provide advice when it is required, and to help, where appropriate, in making trade contacts related to the purpose of the visit. Even where a businessman does not require specific assistance it is valuable for him to meet the commercial officers to get up-to-date information about the market. The Department of Trade would therefore welcome receiving notification of any businessmen intending to travel overseas. To enable the overseas commercial officers to be of the greatest assistance to UK visitors the department needs to be able to brief the overseas officers as fully as possible. The range of information required for this purpose includes details of the firm, their products/services and the purpose and background to the visit.

# Overseas trade exhibitions

## Paris leather fair produces mixed results

From Peter Beckingham, BOTB, Paris

'With our prices undercut by protected South American competitors, there's no way we can afford to deliver late,' said Fred Jones, sales manager for National Chrome Tanning, Scotland, one of 150 UK companies at the international leather week in Paris, which finished on 12 September.

His comments about delivery, and his company's insistence on selling on quality, in many ways epitomised the feeling throughout the British group in Paris that, with UK hides frequently uncompetitive in price, tanners are having to sell on quality and delivery performance.

Despite the problems, British companies exhibiting on two joint ventures sponsored by the British Leather Federation, the Skin, Hide and Leather Traders Association and the British Overseas Trade Board appeared resilient and determined to maintain their position in world markets. On the first day of the fair, for example, Walter Reginald of Hendon, sold £350,000 worth of leathers to French and German customers, and Hutchings and Hardings, of Sawston, took over £50,000 worth of orders for hides from Italian and German customers.

John Pittard, managing director of the large Pittard Group, one of a number of major British companies exhibiting independently of the BOTB joint ventures, said that within two days he had taken export orders for several hundred thousand feet of leathers, worth at least £250,000. Like many of the British exhibitors John Pittard emphasised the significance of his company's efforts to sell on quality and technical innovation. The development by Pittards, for example, of a treatment for hides to absorb water has lead to an important expansion of business for sporting goods accessories, such as ski and sailing gloves, and the fashionable training shoes.

Pittard's emphasis on quality was underlined by Michael Pebody, whose family tannery in Buckinghamshire sold over £400,000 worth of hides overseas last year. One of the firm's biggest accounts is in the United States, where their New York customer asked Michael Pebody recently if he was proud that his were the most expensive hides they purchased.

Pebody's, in common with many tanners at the fair, felt the number of visitors had been disappointing compared with previous years. Tanners put the reason down to the dramatic increase in hide prices immediately before the fair, which naturally deterred manufacturers from buying during the exhibition.

British firms in the accessory and machine sections were, however, less affected. The managing director of Chamberlain-Phipps International, which this year will export some £7 million worth of shoe accessories, had received visitors from countries such as Iran and Iraq, Israel and Lebanon, the United States and Japan. His company took orders on the stand for over £120,000 worth of materials, and Barbour Threads, in the same accessories section of the exhibition, also reported orders – which they had not expected – worth over £50,000 in the first two days of the show.

British machinery manufacturers were also happier than the tanners with the number of visitors. Edward Wilson Ltd, Liverpool, reported a lively interest in their sale of second-hand machines purchased from redundant UK tanneries, reflecting the difficulties of the British industry.

Other UK companies are thriving on the

Walter Reginalds of Hendon sold £350,000 worth of leathers on the first day of the Paris leather fair. Walter Weiss, managing director, is pictured showing hides to visitors from Germany and France.

problems of the international industry. Claytons of Chesterfield, a family concern with a history going back centuries rather than years, heard at the fair that a French competitor had gone out of business – with the result that Claytons was taking on inquiries from French manufacturers wanting to purchase heavy, industrial leathers from England for the first time.

## End-user contact valuable at Plovdiv

From M. A. Corbett, British embassy, Sofia

For the twelfth successive year, there was an official British exhibit sponsored by the British Overseas Trade Board at the thirty-fourth Plovdiv international trade fair from 3 to 10 September. A British pavilion with 15 stands represented 50 companies, and a further five British companies exhibited independently.

Bulgaria's Prime Minister, Stanko Todorov, visited the British pavilion on the opening day accompanied by senior members of the government. Mr Pankov, the Bulgarian Minister of the Chemical Industry (recently returned from an official visit to Britain), also visited the British pavilion later in the week.

From the outset, British exhibitors reported a high level of serious inquiries from Bulgarian buyers, much the same as at last year's fair. Unlike last year, however, these inquiries led to a number of contracts being signed, and there was a possiblity of further negotiations after the fair.

In view of this encouraging atmosphere, it was a pity that the number of British participants was not higher. Admittedly Bulgaria is a difficult market to break into and requires patience. But the Plovdiv fair presents potential exporters with the opportunity not only to establish useful contacts with the Bulgarian purchasing agencies (foreign trade organisations) but also to meet prospective end-users – an opportunity usually denied to them at other times.

As in the past, an arresting display of television and sound reproduction equipment shown by Dennis Tyler Ltd formed the focal point of the British exhibit. No less interesting, however, both to the public at large and to potential end-users was an excellent display of computer hardware exhibited by ICL. The Black and Decker range of portable and industrial power tools was also very popular.

It was unfortunate that the Coles Cranes exhibit, a Hydra truck crane, did not arrive in time for the opening of the event. But when its 40-m telescopic boom did finally tower over the fairground, it became clear from the reaction of the Bulgarians that this was the pièce de resistance of the British pavilion, if not of the whole fair.

In addition to all the eastern European and 19 developing countries, the west was well-represented at the fair. West Germany, France, Austria, Italy and the United States all had official exhibits. Particularly impressive was the large amount of hardware shown in the Swiss and Italian pavilions, where exhibits were more extensive this year. The West German pavilion was as usual the only western pavilion to compete in scale with those of the eastern European countries.

## Leipzig's quiet autumn fair

From Andrew Lance, British embassy, East Berlin

Some 80 British exhibitors, approximately the same number as last year, were attracted to the Leipzig autumn fair from 3 to 10 September. But this time there were fewer leading industrial firms.

In keeping with recent years, the emphasis was on chemicals and plastics, paper-making, printing and allied machinery, automotive products, medical and surgical equipment, textile and shoe-making machinery and the furniture industry. The Society of Motor Manufacturers and Traders provided the sole joint-venture exhibition, with four stands covering six firms. British Leyland was also exhibiting for the first time since 1967, with a display featuring a range of passenger cars and Marathon trucks. British banks and consumer-goods manufacturers were well-represented and several larger UK companies sent out representatives to conduct negotiations and discussions on a number of potential contracts.

On the opening day a GDR party and state delegation led by Erich Honecker, general secretary of SED central committee, called on ICI's stand where they were welcomed by British ambassador Peter Foster and ICI's general co-ordinator for eastern Europe, Ralph French. Among those attending a reception given by the British ambassador on 4 September were the First Deputy Minister of Foreign Trade, Dr Beil, the Deputy Minister, Dr Schwierz, and the Minister for the Chemical Industry, Mr Wyschofsky, who paid an official visit to Britain earlier in the year.

The consensus of opinion, not only among British exhibitors but also among representatives of other countries, was that this was a quiet fair. No major capital plant contracts were signed by British firms and several expressed concern at the GDR's growing insistence on counter-purchase.

On the other hand the established suppliers of consumer goods to the hard-currency intershops secured some useful business for next year. Lesney Products, well-known in the GDR for its diecast toys, was awarded a gold medal for its container port model.

## UK footwear strides out at Micam

From A. MacLeod, British consulate-general, Milan

Eleven British firms took part in a joint-venture sponsored by the British Footwear Manufacturers Federation and the British Overseas Trade Board at the tenth international exhibition of footwear, leather and accessories (Micam) held at the Fiera di Milano from 1 to 4 September 1978.

The majority of these firms have exhibited here in recent years and almost without exception they have come to regard it as the most important footwear exhibition in the world.

Although the Düsseldorf exhibition is larger, it is more or less confined to European manufacturers and buyers whereas Micam has a completely international flavour.

This is borne out by the statistics for this year's event. Although a separate exhibition for tanned leather goods (normally included at Micam) was held separately earlier this year, and this year's exhibition was of 3½ days' duration as opposed to 5 in 1977, the number of exhibitors was almost exactly the same as last year, just over 1100, with 92 countries participating. Over 26 000 visitors attended, of which over one-third were from outside Italy.

The British party exhibited a wide range of top-quality merchandise for all age-groups, male and female. In spite of the intense local competition they yet again managed to do well and were all extremely enthusiastic about business done, especially with third countries.

It is a tribute to the British footwear industry that they are able to compete here successfully and they should have every expectation, based on this year's results, of going from strength to strength.

This should certainly continue to be one of the best show-pieces for UK manufacturers who are traditionally strong in the production of high-quality items.

We can look forward to a continuing success for future British joint ventures at this prestigious event.

## Fair business at Frankfurt

From Sue Holmes, British consulate-general, Frankfurt am Main

More than 2700 exhibitors, including 706 from 52 countries, took part in the Frankfurt international fair from 27 to 30 August. Nearly 7000 trade buyers from 82 countries attended the exhibition which is rated as the world's leading and largest consumer goods fair. The display on a net exhibition area of 87 000 m² comprised pottery, glassware, cutlery and silverware, metal goods and giftware, jewellery and fancy goods, smokers' requisites, stationery and office supplies, lamps, furniture and wickerware, toiletries and perfumery, shop window decorations and advertising materials.

Not counting the host country the British

Business being transacted on the Royal Doulton stand at Frankfurt.

firms formed the third largest contingent of exhibitors, and 54 of these firms participated in five joint-venture groups organised by the British Overseas Trade Board in collaboration with relevant trade associations.

The overall results obtained at this event 'were more or less in keeping with exhibitors' expectations' – as the fair organisers described it – and about 80 per cent of all exhibitors were satisfied with the volume of business done. While more than half of the German exhibitors noted a drop in the volume of export orders booked at this event, this was only partially offset by increased business on their home market. On the other hand, the majority of non-German exhibitors were content with the sales made to German and third-market buyers.

The general situation was also reflected in the volume of business done by the British exhibitors, some of whom had come to Frankfurt without too great expectations, but who were pleasantly surprised at the number of orders taken, particularly from new customers from Germany and overseas markets.

The pattern of business varied between the different commodities; those 14 exhibitors of high-class giftware on the group stand organised by the Design Council did particularly well. Quite a few agency agreements for overseas markets were finalised which are expected to lead to increased business in the future.

Thirteen exhibitors of pottery, sponsored by the British Ceramic Manufacturers' Association, and three firms sponsored by the UK Cutlery and Silverware Manufacturers' Association, met fewer buyers but in some instances recorded larger orders than at previous autumn fairs. The 24 exhibitors of the British Jewellery and Giftware Federation renewed contacts with regular customers and overseas agents, and did good business. The British Art Metal Export Group was able to increase the volume of orders taken by 25 per cent compared with the 1977 autumn fair.

Although only a few of the British exhibitors were able to report outstanding business success at this event, all participants said that their presence at this event had been worthwhile.

The next Frankfurt international fair will be held from 4 to 8 March 1979.

## Have you a good industrial news picture?

Pictures are published in *Trade and Industry* each week showing developments in British industry. If your company has introduced an interesting new product, if you have received an award, if you have developed a novel manufacturing process, if you have produced the biggest or smallest or heaviest or (you feel) the best designed product, you are welcome to send us a photograph with a short news story. Contributions should be sent promptly – while the subject is still newsworthy – to the Editor, *Trade and Industry*, Room 439, 1 Victoria Street, London SW1H 0ET.

## CRE: Commercial Relations and Exports Division

The Commercial Relations and Exports Divisions are responsible for the protection of United Kingdom commercial interests in the negotiation and administration of commercial treaties and trade agreements within the framework of the EEC's common commercial policy. There are five divisions. CRE1 is concerned with multilateral trade questions. The other four divisions concentrate mainly on bilateral arrangements.

*The Export Services and Promotions Division, under the direction of the British Overseas Trade Board, is responsible for providing advice, information and assistance to British businessmen engaged in overseas trading. It works closely with the CRE Territorial Divisions, with export sections of the regional offices and with commercial departments of overseas posts. All inquiries, tel. 01-248 5757.*

Where necessary BOTB export service officers refer firms to the territorial division (CRE2,3,4,5,) who provide help and advice when a firm's overseas business is being affected or is likely to be affected by another country's commercial law or regulations or by trade restrictions. Countries/regional groupings covered by each branch together with telephone inquiry points are set out below.

All extensions can be direct dialled.
Callers should dial (except where stated) **01-215** followed by the extension given.

| Extension | |
|---|---|
| | **Division 2 branch 1** |
| 3364 | North America, Bermuda, US Pacific Islands, St Pierre, Miquelon, Langlade Islands. |
| | **Division 3 branch 1** |
| 5342 | Spain, Malta, Andorra, Gibraltar, Canary Islands, Portugal, Cyprus, Greece, Turkey, Yugoslavia. |
| 5298 | Iceland, Norway, Sweden, Finland, Austria, Switzerland. |
| 5336 | Italy, San Marino, West Germany, France, Monaco, Denmark, Republic of Ireland, Netherlands, Belgium, Luxembourg |
| | **Division 3 branch 2** |
| 5283 | Ecquador, Venezuela, Bolivia, Chile, Colombia, Peru, Brazil, Argentina, Paraguay, Uruguay, Falkland Islands, Antarctic. |
| 5567 | Costa Rica, Dominican Republic, El Salvador, Honduras, Mexico, Nicaragua, Panama, Caribbean. |
| 5330 | Australasia, Pacific Islands. |
| | **Division 4 branch 1** |
| 3422 | Hungary. |
| 5735 | Czechoslovakia, German Democratic Republic, Romania. |
| 5264 | USSR, Mongolia. |
| 5256 | Poland, Bulgaria, Albania. |
| | **Division 4 branch 2** |
| 5279 | India, Pakistan, Nepal, Sri Lanka, Maldive Islands, Bangladesh. |
| 5747 | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei. |
| 5273 | Republic of Korea (South), Hong Kong, Macao. |
| 4322 | Burma, Kampuchea (Cambodia), Laos, North Korea, Vietnam, China. |
| 5243 | Taiwan. |
| 01-248 5757 ext 7162 or 613 | Japan. |
| | **Division 5 branch 1** |
| 3419 | Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates, Oman, Yemen Arab Republic, Peoples Democratic Republic of Yemen. |
| 5218 | Iran, Iraq. |
| | **Division 5 branch 2** |
| 5220 | Israel, Lebanon, Syria, Jordan, Afghanistan. |
| 5225 | Sudan, Egypt, Libya, Tunisia, Algeria, Morocco. |
| | **Division 5 branch 3** |
| 5276 | South Africa, South-west Africa/Namibia, Botswana, Lesotho, Swaziland, Rhodesia. |
| 3064 | Nigeria, Ghana, Sierra Leone, The Gambia, Liberia. |
| 3331 | Ascension, British Indian Ocean Territories, Ethiopia, Jibuti, Kenya, Malawi, Mauritius, St Helena, Seychelles, Somalia, Tanzania, Tristan da Cunha, Uganda, Zambia. |
| 3435 | Angola, Benin, Burundi, Cameroon, Central African Empire, Cape Verde Islands, Chad, Comoro Island, Congo (Brazzaville), Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Ivory Coast, Madagascar, Mali, Mauritania, Mayotte, Mozambique, Niger, Reunion, Rwanda, Sao Tome and Principe, Senegal, Togo, Upper Volta, Zaire. |

# Overseas trade country data

## Australia

**Hosiery.** A notice in *Trade and Industry* in July reported that the Australian government had asked the Industries Assistance Commission (IAC) to inquire into and report on the question whether short-term assistance should be accorded the hosiery industry before mounting a later inquiry into the industry's long-term assistance requirements.

The IAC is now in a position to proceed with the latter inquiry and the public hearing will take place on Tuesday, 24 October at 10.00 in the Public Inquiry Room, Industries Assistance Commission, 12th Floor, Marland House, 570 Bourke Street, Melbourne, Vic 3000.

Those interested who intend to submit evidence at the public inquiry and who have not yet notified the commission of their intention should do so as soon as possible.

Inquiries: CRE 01-215 5319.

## Barbados

**Import licensing.** The Barbados authorities have announced that the following items now need an import licence:

| Tariff item | Description of goods |
|---|---|
| 06.02 | Sugar cane plants and cuttings |
| 07.01 | Vegetables fresh or chilled (excluding potatoes not sweet) |

Licences are no longer required for certain items classified to the following tariff items:

04.03, 04.04, 21.07, 27.11, 30.03, 48.16, 60.05, 61.01

Inquiries: OTAR 01-248 5757 ext. 7312.

## Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exports (CRE) Divisions, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757. In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

## Belgium

**Cosmetic products.** The *Moniteur Belge*, 168, 1 September, published a decree dated 10 May which takes into consideration EEC directive 76/768 of 27 July 1976 concerning the harmonisation of legislation in member states relating to cosmetic products.

This decree repeals that of 24 May 1973 and came into force on 1 September.

Copies of the decree (in French) are available and an English translation should be available shortly.

Inquiries: OTAR 01-248 5757 ext. 288/466/467.

## Bolivia

**Duty amendments.** Supreme decree 15568 of 22 June 1978 has amended the import duty on items falling within tariff nos: 59.02, 59.03.99, 59.10, 69.12, 82.12, 84.53, 84.55.03, 85.15.04.99 and ex 87.14.

The following modifications have been made by the addition of new sub-headings to:

| Tariff item/Description | *Ad valorem* | Additional tax |
|---|---|---|
| **48.07** | | |
| Paper and paperboard, etc | | |
| **48.07.89.00** | | |
| Other: | | |
| **48.07.89.01** | | |
| Electrostatic paper | 30% | |
| **48.07.89.99** | | |
| Other | 40% | 20% |
| **48.21** | | |
| Other articles of paper pulp, etc | | |
| **48.21.00.11** | | |
| Superimposed sheets in hexagonal paperboard panels | 10% | |
| **85.15.04.00** | | |
| Television receivers, etc | | |
| **85.15.04.00** | | |
| Of a unit weight from 15 kg | 10% | |

Inquiries: OTAR 01-248 5757 ext. 474/476.

## Cameroon

**Commercial work.** Commercial work for Cameroon is now being handled by the British Consulate at BP1016, Douala, Cameroon, tel. 42-21-77 and 42-22-45, telex 5353 A/b Britain 5353 KN.

The British embassy at Yaoundé will continue to handle consular matters although, where a firm's interest lies solely in Yaoundé, they will also advise on some commercial aspects.

Inquiries: CRE 01-215 5334.

## France

**Decorative goods containing chemicals.** An order published in the French *Official Journal*, 1 September, imposed a ban of one year from the date of this publication on the production, import and sale of decorative goods such as lamps (83.07) and glassware (70.13) containing trichlorethylene, tetrachlorethylene or carbon tetrachloride.

Copies of the French text are available from OTAR 01-248 5757 ext. 423/408/439.

**Certain petroleum products.** Decree 78-903 of 30 August announced the creation of a parafiscal tax of 10 francs per hectolitre on lubricating oils and petrols under heading 27.10 of the customs tariff and also shown under identification indexes 10 and 11 of table B of article 265-1 of the French customs code. This tax will apply until 31 December 1978.

Copies of the French text are available from OTAR 01-248 5757 ext. 423/408/439.

## Greece

**Second-hand machinery.** A circular issued by the Greek Ministry of Industry sets out the following conditions for the import of second-hand machinery, but does not apply to second-hand agricultural machinery:

The machinery must be intended for use by the applicant and not for sale.
The applicant's occupation must be such as to justify the use of the machinery.
The machinery must have been manufactured within the last eight years.
Damage due to wear and tear must not exceed 20 per cent.
The value of the second-hand machinery must not exceed half the value of new machinery.

Certain documents will have to be produced by the importer which must include a certificate from the foreign firm giving the year of manufacture, the extent of wear and tear and the value of similar new machinery.

## Guatemala

**Vehicle weights and dimensions.** Changes have been made in the regulations for the control of weights and dimensions of motor vehicles and their combinations.

Inquiries: OTAR 01-248 5757 ext. 476/474.

## Indonesia

**Prohibition of imports.** The Indonesian Minister of Health has announced that, with effect from 15 July, hypodermic needles (CCCN 90.17), acetic anhydride (CCCN 29.14) and opium pipes (CCCN 98.11), may only be imported with a special permit from the Director General of Medicine and Food Control.

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

## Ivory Coast

**Five-year plan.** A copy of the plan has been received in Export Services Division. It is the full English version of the plan previously available only in French. A copy is available for reference in the Statistics and Market Intelligence Library, Room D16, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 368/369.

After a period of a fortnight copies will be available for loan in microfiche format only. Applications will be dealt with in strict order of receipt.

**CRE** Commercial Relations and Exports Divisions
Department of Trade
1 Victoria Street, London SW1H 0ET
Tel. Direct dialling (see end of each notice)

**OTAR** Overseas Tariffs and Regulations Section
Export Data Branch
Export Services and Promotions Division
Department of Trade
Export House, 50 Ludgate Hill, London EC4M 7HU
Tel. 01-248 5757 (extension at end of each notice)

## Malaysia

**Carpets, rugs and mats.** The Malaysian government has, from 3 August 1978, amended the first schedule to the Customs Duties Order 1978 so that it now reads as follows:

| Heading/Description | Unit of quantity | Import duty Full | Import duty Preferential |
|---|---|---|---|
| **58.01** Carpets, carpeting and rugs, knotted (made-up or not): | | | |
| **58.01 110** Prayer mats | m² | 25% | |
| Other: | | | |
| **58.01 210** Of wool or fine animal hair | m² | 50% | |
| **58.01 910** Of other textile materials | m² | 50% | |
| **58.02** Other carpets, carpeting, rugs, mats and matting, and 'Kelem', 'Schumacks' and 'Karamanie' rugs and the like (made-up or not): | | | |
| **58.02 110** Prayer mats | m² | 25% | |
| **58.02 190** 'Kelem' ('Khilim' or 'Cilim'), 'Schumacks' ('Soumaks') or 'Karamanie' rugs and the like | m² | 50% | |

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

## Mexico

**Tariff amendments.** Acuerdos of the Secretaria de Comercio published in the *Diario Oficial*, of 14 and 24 August, amended the official prices of some goods in the following tariff chapters:

12, 13, 15, 25, 28, 29, 31, 32, 33, 35, 37, 38, 39, 48, 49, 68, 69, 70, 73, 76, 82, 83, 84, 85, 90, 91, 92, 94, 98

Inquiries: OTAR 01-248 5757 ext. 476/474.

## Morocco

**Import deposits.** The Moroccan authorities have announced that the following items are exempt from import deposits.

| | |
|---|---|
| 09-08<br>10-01-11 to 59<br>12-01-29/39<br>15-02<br>15-03-91/99<br>15-04<br>15-05-15/20/90 | Industrial fats |
| 15-06-01/20<br>ex 15-07-10<br>ex 15-07-11<br>15-07-19 to 26<br>15-07-29 to 33<br>15-07-35<br>ex 15-07-39<br>15-07-51 to 55<br>ex 15-07-58<br>15-07-83/84/85<br>ex 15-07-97<br>15-07-99<br>15-08/09<br>15-10-10/30/51/60/70<br>15-11-90<br>15-12-41/45 | Industrial fats |
| 17-01-10 to 20 | Sugar |
| 17-01-30 to 50 | Sugar |
| 24-01 | Manufactured tobacco |
| 25-23 | Cement |
| 27-07-11 | Oil from coal tar |
| 27-09 to 11 | Petroleum |
| Ch. 30 (except 30-01-50 to 99) | Pharmaceuticals |
| Various items | Arms and ammunition and other engines of war imported direct by the Ministries of Security or National Defence, military vehicles and armoured cars. |

Inquiries: OTAR 01-248 5757 ext. 462.

## Netherlands

**Milk and milk products.** A decree dated 8 July 1978 ('Staatsblad' 433), published on 29 August 1978, modifies the Milk Decree (Commodity Act) 1974 and the Solid Milk Products Decree (Commodity Act).

Copies of this decree (in Dutch) are available from OTAR 01-248 5757 ext. 288/466/467.

An English translation should be available shortly.

## Sierra Leone

**Import licence fee.** The following new regulation was published in the Sierra Leone *Gazette* 18 August:

An import licence fee of 5 per cent of the cif value of all imported goods, except those specifically exempted by the Minister of Finance, shall be collected from commercial importers by the Comptroller from the time of entry of the goods.

Inquiries: OTAR 01-248 5757 ext. 473.

## South Africa

**Customs tariff changes.** The following amendments were published in the South African *Government Gazette*, 25 August:

R.1708, CCCN 33.06 39.01, 70.19, 73.32 and 74.15. These amendments are consequential to amendments of the nomenclature and to the explanatory notes to the nomenclature, issued by the Customs Co-operation Council, Brussels.

| CCCN/Description | Unit | General | MFN |
|---|---|---|---|
| **33.06.40** Styptic pencils | No. | 20% | |
| **39.01.30.20** Plates, sheets, film foil and strip, coated with glass microspheres | Kg | Free | |
| **70.19.50** Glass grains (microspheres) | Kg | Free | |

Inquiries: OTAR 01-248 5757 ext. 471/472/473 and 462.

**Tariff application.** Customs tariff application list 30/78, published in the South African *Government Gazette*, 15 September, contains applications to the Board of Trade and Industries for an increase in duty on:

1 a shirts, knitted or crocheted, with attached collars:
  i of a mass not exceeding 200 g each, classifiable under tariff subheading 60.04.10.15;
  ii of a mass exceeding 200 g each, classifiable under tariff subheading 60.04.10.25
  b shirts for men, classifiable under tariff subheading 61.03.20
2 Lithographic plates of aluminium, classifiable under tariff subheading 37.01.90

Those British trade organisations thought to be interested in these applications are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE 01-215 5274.

## Spain

**Home compensation tax.** The Spanish *State Gazette*, 12 August, published royal decree 1912/1978 of the Ministerio de Hacienda increasing to 8 per cent the home compensation tax to be paid on the importation of goods under CCCN 91.01 (pocket watches, etc) and 91.09 A (watchcases for goods under CCCN 91.01 and their parts of gold and platinum, whether or not incorporating pearls or precious or semi-precious stones).

Inquiries: OTAR 01-248 5757 ext. 458/460/461.

## Switzerland

**Import duties.** Duties on some UK goods imported into Switzerland have been changed as from 1 September. Certain goods of the following headings are affected:
17.04, 19.02, 19.08, 21.07

Inquiries: OTAR 01-248 5757 ext. 458/461.

## Thailand

**Special fees.** The Thai Board of Investment in a number of announcements has placed special fees on a number of imports.

| CCCN/Description | Special fee (% of cif price) |
|---|---|
| **56.01** Discontinuous viscose rayon fibre | 20 |
| **84.16** Oil and air filters including filter refills for engines or air compressors | 20 |
| **28.56** Calcium carbide | 10 |
| **85.01 b** ¼-3 hp ac electrical induction motors | 15 |
| **29.15 b** Phthalate plasticisers of the following types: di-heptyl, di-octyl, di-(2 ethyl-hexyl), di-iso octyl, di-nonyl, di-iso nonyl, didecyl, di-iso decyl, di-undecyl | 10 |
| **38.19 b** Mixtures of more than two of the above plasticisers | 10 |

The Board of Investment shall determine which imports are subject to the special fee and inform the Customs Department accordingly.

These notices came into effect on 2 August 1978 and remain in force until 1 August 1979.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

# Overseas trade export services

## United States

**Motor vehicles.** The US *Federal Register*, 24 August, published a final rule by the Environmental Protection Agency increasing the emission standard required for light duty vehicles with an effective date of 23 October.

A copy of the text is available from OTAR section: OTAR 01-248 5757 ext. 456/457/7312.

**Suntan products.** The US *Federal Register*, 25 August, published a rule proposed by the Food and Drug Administration which would establish the safety, effectiveness and labelling of suntan products. Written comments (four copies) should be sent by 24 November to Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville,MD 20857.

A copy of the text is available from OTAR section: OTAR 01-248 5757 ext. 456/457/7312.

**Medical devices.** A rule by the Food and Drug Administration establishing the necessary procedural requirements for listing, etc, of medical devices was published by the US *Federal Register*, 25 August.

A copy of the text is available from OTAR section: OTAR 01-248 5757 ext. 456/457/7312.

## Uruguay

**Liquid inks for ballpens.** Decree 419/978 of 17 July 1978 adds the following item to CCCN 98.03:

| CCCN/Description | Duty cif percentage |
|---|---|
| **98.03.90.92** Spare (renewable) liquid ink for ballpoint pens | 20 |

Inquiries: OTAR 01-248 5757 ext. 474/476.

## Venezuela

**Tariff amendments.** A joint regulation of the Ministries of Finance and Development which came into force on 15 August, amends the list of prohibited goods introduced in April.

The items affected fall within the following tariff headings:

ex 73.22, 84.01, ex 84.15, ex 84.40, ex 84.52, ex 84.56 and 85.12.05

All these items, with the exception of electronic calculators under 84.52, are subject to a previous import licence.

Inquiries: OTAR 01-248 5757 ext. 474/476.

## Yugoslavia

**Long-term co-operation and agency legislation.** A new law on long-term co-operation came into force in August. This replaces the previous law that became effective in April and was reported in *Trade and Industry*, 21 July. The main new development is that the new law stipulates a general minimum level of 15 per cent for local manufacture by the Yugoslav enterprise and its sub-contractors.

A new agency law came into effect in April.

Inquiries: CRE 01-215 5338/9.

## Keyways facsimile transmissions to speed goods clearance

Keyways, Ellerman Wilson Line's forwarding and groupage operation, is upgrading its communications between England and Scandinavia with a new document transmission system worth over £40,000. The system – a network of document facsimile transmitters in Keyways offices and agents offices – will go live on 2 October.

The result, claims Keyways, will be the fastest and most sophisticated documentation system in use on the North Sea trade routes. Terminals will be located at Keyways headquarters in Hull and their Immingham office and these will provide instant links with agents' offices in Stockholm, Gothenburg, Oslo, Larvik and Fredrikstad.

The new system will enable Keyways to process documents for customs clearance at either end a day earlier than normal. Documentation relating to incoming cargo will be transmitted on the day of booking, enabling Keyways to complete customs entries and lodge them immediately the ship berths.

As a result, Keyways will be able to clear and start delivery of goods within hours of the ship's arrival in either the UK or Scandinavia.

The new arrangements will also enable Keyways to plan their haulage requirements well in advance of the arrival of the cargo, resulting in improved transport fleet utilisation and greater ability to meet unusual delivery requirements.

**Further information: circle 170**

## New ro-ro facilities to serve Scandinavia

New UK ro-ro facilities were opened on 13 September at Albert Edward Dock, North Shields, to serve the river's passenger and cargo links with Denmark, Norway and Sweden. It will also be available for other traffic, especially new trades.

Built by the Tyne Authority at a cost of £1.8 million the new berth can accommodate the biggest ro-ro vessels operating on North Sea routes. Its siting and design is such that it can be operated independently or simultaneously with the existing berth. At times this, and another ro-ro berth downstream handling Scandinavian traffic, can expect to handle 11 passenger/cargo arrivals and sailings weekly.

With the commissioning of this new installation, the Port of Tyne Authority will have four ro-ro berths at Albert Edward Dock – two on the riverside serving the Scandinavian traffic and two within the dock itself. One of the latter is specially constructed to handle single heavy loads of more than 500 tonnes on transporters.

**Further information: circle 171**

## Three-way link for Kuwait

Three transport organisations – Pan International Transportation, Gulf Express Transport and the Euro-Arab Freight Co – have combined forces to concentrate on freighting exports from the UK to Kuwait.

This new arrangement, it is claimed, will give the advantage of total control of traffic from UK, right through to consignees in Kuwait.

**Further information: circle 172**

## UK-Venezuela ro-ro service launched by BFI

BFI Line is associated with moves to begin a regular ro-ro link from the UK to Venezuela. The company acted as loading brokers for the recent trial sailing of the ro-ro ferry *Cantaclaro*, operated by Rocargo of Venezuela.

The 3000 dwt ferry sailed for the Venuzuelan port of La Guaira with a mix of containerised and rolling cargo. It was loaded at the Immingham ro-ro terminal operated by Tor Line Ltd for its North Sea ferry services: Tor Line also acted as stevedoring agents for the vessel's call.

BFI feels that there will be a demand for a ro-ro link with Venezuela and that it will grow to become a regular link.

It is, the company says, an expanding market with diverse import needs and represents a challenge to shipping operators in the provision of efficient services.

**Further information: circle 173**

**Freepost reader service**

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

## 'T & I' index inquiries

Readers wanting to know when articles and items of information were published in *Trade and Industry* should consult the published indexes which are issued free to subscribers. For material published in recent months, inquiries of this kind can be made to the Department of Industry Library's indexing section, tel. 01-215 5842 or 01-215 5879.

# European community news

## Jenkins expresses renewed confidence in ability to move forward

Renewed confidence in the community's capacity to move forward again and to make a constructive approach to world economic problems was expressed by Roy Jenkins, president of the commission, during a European parliament debate on 13 September.

'The next six months,' he said, 'can provide an opportunity for advance comparable to the major breakthroughs of its earlier history. In this process, the views of this parliament can serve as a vital bridge between public opinion on the one hand, and monetary experts on the other, and between the policy choice to be made, and the technical and institutional arrangements that underpin them.'

He hoped that a clear message could also be given from this parliament to the responsible statesmen in Europe that the advance was welcome and a good result eagerly awaited.

**Bonn summit**

Referring to the 'impulse of common and interdependent action' that characterised the Bonn summit, he emphasised this summit's 'clear and imaginative recognition of the complexity of world economic problems and of their interlocking nature'.

This growing atmosphere of interdependence, in which the community had a distinct and notable place, could, he felt, be largely attributed to the work of the European council at Bremen.

**European monetary system**

The Bremen proposal for a European monetary system had provided the basis for a truly European contribution to international monetary stability and economic growth, but also, a firm and fresh impetus for the further integration of the community.

'I hope that we have in Bremen outlined the foundation of a European monetary system which can be made a reality and which can be lasting and effective', he added.

The European leaders at Bremen had shown a 'determined political will for Europe that was stronger, more ambitious, and more rapidly evident' than he had believed possible when he endeavoured to refocus attention at Florence, nearly a year ago, on the monetary route forward in Europe.

## More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:


**Home news**
German mission looks at UK for industry expansion 638
Speed-up of review of medicines 640

**New publications**
Technology and trade 645

**Overseas trade news**
Notices to importers:
1707: Imports in 1978 of restricted textiles from Taiwan 653
1708: Imports of cotton yarn from Turkey 653

**Exhibitions**
Paris leather week 655
Milan footwear fair 656
Frankfurt international fair 656

**Country data**
Belgium 658, France 658, Netherlands 659

**Statistics**
Current account of UK balance of payments 667


## Giscard presses for fresh look at community institutions

French president Valery Giscard D'Estaing wrote to heads of government of the nine member states on 13 September suggesting that three independent persons should be appointed to look at community institutions in the light of the possible imminent enlargement of the community.

**Political co-operation meetings**

The president points out that recent developments in the community will pose problems for the community's institutions and for the mechanism of intergovernmental political co-operation meetings. He urges that the question should be considered taking into account the experience of the last 20 years and the perspectives now being set for the construction of the European community.

The president suggests that foreign ministers should be asked to discuss the matter so that heads of state may take a decision at the European council in December. He proposes that the 'three wise men' should have experience of the workings of the European institutions and at the same time be capable of taking a new look at the problems.

## Sugar prices too high say manufacturers

Britain's sugar-using food manufacturers have written to Henri Cayre, president of the EEC committee of the European beet industries organisation, complaining about high EEC sugar prices and the community sugar surplus, which last year amounted to 3 million tonnes.

**Maff comment**

Commenting on the letter, a spokesman from the Ministry of Agriculture, Fisheries and Food said it made a number of detailed points about the various aspects of the community's future sugar regime. The food manufacturers and the final consumers of their products were a major part of the demand for sugar in the UK and the letter properly stressed that account should be taken of their interests.

The letter, he said, also noted the importance of the community's imports of sugar from the African, Caribbean and Pacific (ACP) developing countries and usefully put those imports into perspective.

## Anti-dumping duties lapse on Australian iron and steel

A provisional anti-dumping duty, on iron and steel coils for re-rolling (73.08 A and B), from Australia, has been allowed to lapse by the European commission.

**Collection of duty suspended**

Collection of the duty was suspended and any security given will now be released.

This measure came into effect at midnight on 13 September 1978.

## New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and

Promotions division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7174/482/408.

### Common agricultural policy

The texts of the following regulations and directives which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*:

**General.** Regulation (EEC) 2117/78 amending regulation (EEC) 1380/75 laying down detailed rules for the application of monetary compensatory amounts (*Official Journal* L246, 8 September 1978).

**Milk and milk products.** Regulation (EEC) 2119/78 amending article 1 of regulation (EEC) 3352/75 prohibiting the use of inward processing arrangements in respect of butter.

Article 1

Butter from non-member countries, falling within Common Customs Tariff heading 04.03, in respect of which a levy applicable on importation into the Community has not been charged, shall not be used in the geographical territory of the Community as defined in Article 4 (2) of Regulation (EEC) 192/75:

for the manufacture of products referred to in Article 1 of Regulation (EEC) 804/68 or of the goods listed in the Annex to that Regulation, or

for making up into small packages.

(*Official Journal* L246, 8 September 1978).

**Animal feedingstuffs.** Directive 78/743/EEC amending the annexes to directive 70/524/EEC concerning additives in feedingstuffs (*Official Journal* L247, 9 September 1978).

### Imports from non-member states

The *Official Journal* L245, 7 September 1978, contains the texts of the following decisions which authorise the relevant member states to refuse entry to the specified goods.

Decision 78/734/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to blouses and shirt blouses, knitted or crocheted (not elastic or rubberised), or woven, for women, girls and infants, of wool, of cotton or of man-made textile fibres, falling within subheading ex 60.05 AII or ex 61.02 B (Nimexe codes 60.05-22, 23, 24, 25; 61.02-78, 82, 84) of the common customs tariff, originating in Yugoslavia and in free circulation in the other member states.

Decision 78/736/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to track suits of knitted or crocheted fabric, not elastic or rubberised, of wool, of cotton or of man-made textile fibres, falling within subheading ex 60.05 AII (Nimexe codes 60.05-16, 17, 19) of the common customs tariff, originating in Czechoslovakia and in free circulation in the other member states.

The *Official Journal* L247, 9 September 1978, contains the texts of the following decisions which authorise the relevant member states to refuse entry to the specified goods.

Decision 78/744/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to bed linen, woven, falling within subheading ex 62.02 B (Nimexe codes 62.02-11, 19) of the common customs tariff, orginating in Romania and in free circulation in the other member states.

Decision 78/745/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to men's and boys' shirts, woven, of wool, of cotton or of man-made textile fibres, falling within heading ex 61.03 (Nimexe codes 61.03-11, 15, 19) of the common customs tariff, orginating in Yugoslavia and in free circulation in the other member states.

Decision 78/746/EEC authorising France not to apply community treatment to woven fabrics of regenerated textile fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (including terry fabrics) and chenille fabrics, other than unbleached or bleached, falling within subheading 56.07 B (Nimexe codes 56.07-37, 42, 44, 48, 52, 53, 54, 57, 58, 62, 63, 64, 66, 72, 73, 74, 77, 78, 82, 83, 84, 87; 56.07-37, 44, 48, 52, 54, 57, 58, 63, 64, 66, 73, 74, 77, 78, 83, 84, 87) of the common customs tariff, originating in South Korea and in free circulation in the other member states.

Decision 78/747/EEC authorising France not to apply community treatment to certain setts, flags and paving, hearth and wall tiles, falling within subheadings 69.07 ex A and B ex II, and 69.08 ex A and B ex II of the common customs tariff, originating in Japan and in free circulation in the other member states.

Decision 78/748/EEC authorising France not to apply community treatment to men's and boys' shirts, woven, of wool, of cotton or of man-made textile fibres, falling within heading 61.03 (Nimexe codes 61.03-11, 15, 19) of the common customs tariff, originating in Pakistan and in free circulation in the other member states.

## Letters to the editor

Letters to the editor should be addressed to the Editor, *Trade and Industry*, Room 437, 1 Victoria Street, London SW1H 0ET, and *not* to HMSO.

# UK allocated further £21m from ERDF

Contributions of £21 million from the EEC regional development fund towards the cost of projects in the UK were announced by the European commission on 13 September. This brings the total fund contribution to UK projects since the inception of the fund in 1975 to £194.1 million.

This is the second allocation from the fund this year. The £21 million relates to 20 industrial and 64 infrastructure projects in the UK assisted areas and is allocated as follows:

| Region | £000 |
|---|---|
| Northern | 6 266 |
| North West | 255 |
| Yorkshire and Humberside | 280 |
| East Midlands | 59 |
| South West | 735 |
| Total England | 7 595 |
| Northern Ireland | 4 541 |
| Scotland | 4 512 |
| Wales | 4 393 |
| Total UK | 21 041 |

The new allocation by the commission includes contributions towards the cost of national aids to three industrial projects in south-west England (see below).

### Northern

Total aid £6 265 975.1

**Infrastructure projects**

Tynedale, Northumberland – Northumbrian Water Authority (construction of Kielder reservoir and Tyne-Tees-Wear aqueduct. This project was subject of earlier grants totalling £10 600 000 during 1975-77) £5 214 500

Aid is given to 29 investment projects included in a global application: £1 051 475.1

| Location | Project |
|---|---|
| Durham | |
| Darlington, Yarm Road industrial estate | Access road with foot paths and street lighting and construction of an electricity substation |
| Derwentside, Tanfield Lea industrial estate | Provision of sewer, road and drainage facilities |
| Durham, Great Lumley | Provision of electricity supplies to new pumping station and treatment plant |
| Easington, Roads A1086/B1283, Horden Junction | Road communication in industrial area |
| Easington, Roads B1283/B1432, Rosemary Lane and Hospital Lane | Road communication in industrial area |
| Easington, Road B1283, Harwell Plough to Pemberton Arms | Road communication in industrial area |
| Sedgefield, Aycliffe industrial estate | Construction of an access road |
| Sedgfield, Tudhoe Colliery Service industrial estate | Provision of access road, main services, fencing and landscaping, installation of an electricity supply |
| Sedgefield, Chilton industrial estate | Construction of a spur road, foul and surface water, drainage and water supply |
| Sedgefield, Furnace Pit Service Industry industrial estate | Access road, sewers and other services |
| Sedgefield, Western Link Road, Spennymoor | Improvement to road providing access to industrial estate areas |
| Sedgefield, Chilton industrial estate, Spennymoor | Provision of foul and surface water sewers |
| Wear Valley, Leazes Lane industrial estate | Provision of roads and sewers, landscaping and fencing works |
| Wear Valley, South Church industrial estate | Provision of access road |
| Northumberland | |
| Blyth Valley, Road B, Cramlington New Town | Improved road communications with the industrial estates and the main road network: construction of distributor road |
| Wansbeck, Barrington industrial estate, Ashington | Provision of roads and lighting |
| Wansbeck, Barrington industrial estate, Ashington | Provision of roads and sewers |
| Tyne and Wear | |
| Gateshead, Pelaw Station industrial estate | Site preparation, levelling and provision of drainage services |
| Gateshead MBC, Whinfield industrial estate | Site preparation and provision of basic services, phase 2 |
| Sunderland, Armstrong industrial estate, Washington | Provision of roads, sewers, power supplies |
| Sunderland, Pattinson South industrial estate, Washington | Reclamation of land |
| Sunderland, Pattinson North industrial estate, Washington | Provision of roads and sewers |
| Cumbria | |
| Clay Flatts industrial estate, Workington | installation of sewers and provision of site access roads |
| Lillyhall industrial estate, Workington | Installation of sewers, construction of estate access roads |
| Barrow district council new industrial estate | Road improvement to facilitate access to industrial estate |
| Eden, Appleby industrial estate | Access road and services |
| Eden, Gilwilly industrial estate, Penrith | Installation of sewers and provision of site access roads |
| Cleveland | |
| Langbaurgh, Bolckow Road industrial estate, Grangetown | Provision of access roads and basic services |
| Middlesbrough, north east Ironmasters site | Provision of electricity, telephones, water and gas services |

### North West

Total aid (all projects) £255 000

**Infrastructure projects**

Wigan, Greater Manchester – North West Water Authority. Extension to the Hoscar sewage treatment works £193 500

Aid is given under a global application to the following projects:

| | |
|---|---|
| Skelmersdale, Pimbo industrial estate | Site preparation, making good old mine workings |
| Skelmersdale, Gillibrands industrial estate | Site preparation, making good old mine workings, access road, sewers |

Total aid for two infrastructure projects (global application) £61 500

### Yorkshire and Humberside

Total aid £280 167.83

**Infrastructure projects**

Aid is given by global application for 16 investment projects

| | |
|---|---|
| South Yorkshire | |
| Barnsley, Carlton industrial estate | Provision of roads and sewers |
| Rotherham, Canklow Meadows industrial estate | Construction of roads, sewers and provision of other services |
| Rotherham, Eastwood trading estate | Extension of trading estate. Site stabilisation and roads |
| North Yorkshire | |
| Hambleton, Leeming Bar industrial estate | Servicing of estate |
| West Yorkshire | |
| Bradford, Oldfield treatment plant | Increase in water supplies to industry |
| Bradford, Rockhill Lane | Widening and improvement of access road |
| Bierley – Euroway industrial estate | |
| Leeds, Cross Green industrial estate | Construction of service roads |
| Wakefield, Dale Lane, North Elmsall | Widening and improvement of access road |
| Wakefield, Langthwaite Grange industrial estate | Provision of roads, sewers and surface water balancing reservoir, improvements to beck |
| Wakefield, Minsthorpe Lane, South Kirkby | Access road improvement |
| Humberside | |
| Hull, Sutton Fields industrial estate | Construction of roads and sewers |
| Hull, Cannon Street | Reclamation of land for industrial purposes. Land improvement |
| Hull, Kingston-upon-Hull | Construction and re-lining of old sewers |
| Hull, Kingston-upon-Hull | Improvement of access road to industrial wharf |
| Hull, Sutton Fields industrial estate | Provision of roads and sewers |

continued on page 665

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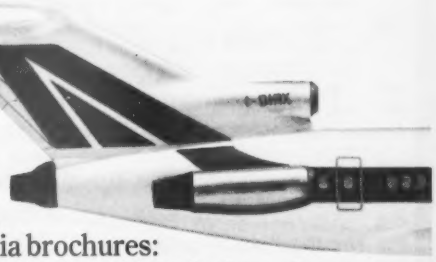

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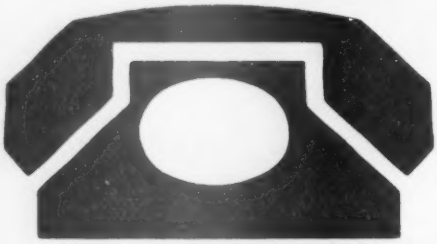

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extension

Sub-section A

**1 Co-ordination of EEC regulations, requirements and common customs tariff (CCT), Denmark, France incl. overseas territories, Greece, Turkey, Cyprus**

408 Denmark (incl. Faroe Islands and Greenland). EEC legislation on tariff and non-tariff barriers relative to community trade

423 France and French overseas departments, French overseas territories, Comoros

439 Greece (incl. Dodecanese Islands), Turkey, Cyprus

**2 Benelux, Dutch overseas territories, Irish Republic, Italy, Federal Republic of Germany**

288 Belgium, Luxembourg, Netherlands, Netherlands Antilles, Aruba, Bonaire, Curacao, St Eustatius, St Martin (Dutch), Saba, Suriname

466 Italy, Irish Republic

467 Federal Republic of Germany

Sub-section B

**Efta countries, Spain, Gibraltar, Malta, Israel, Macao**

458 Israel, Norway, Gibraltar, Malta

459 Austria, Sweden, Switzerland

460 Portugal, Finland, Iceland, Macao

461 Spain, Canary Islands, Andorra

Sub-section C

**1 North America, Bahamas, Bermuda, West Indies**

455 Canada

456 USA (incl. Alaska, Caroline Islands, Guam, Hawaii, Mariana Islands, Marshall Islands, Panama Canal Zone, Puerto Rico, Samoa (US), Virgin Islands (US), Wake Island)

7312 Anguilla, Antigua, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St Kitts/Nevis, St Lucia, St Vincent, Trinidad and Tobago, Turks and Caicos Islands

**2 South and Central America**

474 Argentina, British Antarctic Territories and Antarctica, Cuba, Dominican Republic, Falkland Islands, Haiti, Paraguay, Uruguay, Bolivia, Chile, Colombia, Ecuador, Peru, Venezuela

476 Brazil, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama

Sub-section D

**Africa**

462 Algeria, Ceuta and Melilla, Egypt, Equatorial Guinea, Libya, Morocco, Sudan, Tunisia, Western Sahara

471 Angola, Cape Verde, Guinea-Bissau, Jibuti (Djibouti), Malawi, Mauritius, Mozambique, Rwanda, St Helena and Tristan da Cunha and Ascension Islands, Sao Tome/Principe, Seychelles, Somalia, South Africa (with Botswana, Lesotho, SW Africa and Swaziland), Zambia, British Indian Ocean Territory

472 Benin, Burundi, Cameroon, Central African Empire, Chad, Congo (Brazzaville), Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Madagascar, Mali, Mauritania, Niger, Senegal, Tanzania, Togo, Uganda, Upper Volta, Zaire

473 The Gambia, Liberia, Nigeria, Rhodesia, Sierra Leone

Sub-section E

**Australasia and South East Asia, Eastern Bloc, China, Mongolia, Yugoslavia**

401 New Zealand, Singapore, Thailand, W. Samoa, Chatham Islands, Cook Islands, Niue Islands, Tokelau Islands, Philippines

468 Australia, Solomon Islands, Cocos (Keeling) Islands, Christmas Island (Indian Ocean), Nauru, New Hebrides, Papua New Guinea, Albania, Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania, USSR, China, Mongolia, Yugoslavia

469 Brunei, Fiji, Hong Kong, Indonesia, Malaysia, Tonga, Gilbert Islands (incl. Ocean Island, Phoenix and Northern Line Islands), Tuvalu, Norfolk Island, Pitcairn Island

Sub-section F

**Middle East (Part) and Asia (Part)**

420 Afghanistan, Bangladesh, Burma, India, Nepal, Pakistan, Japan, Korea Democratic Peoples Republic, Korea Republic of, Sri Lanka, Taiwan, Yemen Arab Republic, Yemen Peoples Democratic Republic

475 Iraq, Jordan, Kampuchea (formerly Cambodia), Kuwait, Laos, Lebanon, Vietnam Socialist Republic of, Bahrain, Iran, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates

| Location | Project |
|---|---|
| Bridlington, Carnaby industrial estate | Provision of main services |

## East Midlands

Total aid £58 910.4

**Infrastructure**

| | |
|---|---|
| Chesterfield, Whittington Mill | Improvement of sewerage facilities for industrial estate |

Total aid in respect of one infrastructure project (global application) £58 910.4

## South West

Total (all projects) £735 795

**Industry projects**

Aid is given under a global application to the following projects:

| | |
|---|---|
| Barnstaple, north Devon – Tuflin Ltd | Manufacture of valves |
| Barnstaple, north Devon – Arthur H. Cox and Co Ltd | Manufacture of pharmaceutical products |
| Falmouth, Cornwall – Duke and Ockenden Ltd | Manufacture of drilling rigs and equipment |

Total aid for three industry projects (global application) £576 000

**Infrastructure projects**

Caradon, Cornwall – South West Water Authority. Construction of a reservoir and water works £159 795

## Scotland

Total aid (all projects) £4 511 831.5

**Industry projects**

Aid is given under a global application for the following projects

| | |
|---|---|
| Bathgate, Lothian – Arthur Engineering (Bathgate) Ltd | Mechanical engineering |
| Blantyre, Strathclyde – Stock Alloys Ltd | Stockholding and profile cutting of stainless steel and heat corrosion resistant alloys |
| Cumbernauld, Strathclyde – JLG Industries (UK) Ltd | Mobile hydraulically operated aerial platforms |
| Dundee, Tayside – Whyte and Edwards Die Casting Co | Die casting in zinc and aluminium |
| East Kilbride, Strathclyde – How Fire Protection (Scotland) Ltd | Sprinklers and other fire protection systems |
| Linlithgow, Lothian – Thistle Plastics Ltd | Recycling of plastic waste |
| Livingston, Lothian – Arbrook Products Ltd | Surgeon's latex gloves and other surgical and medical products |
| Livingston, Lothian – Abbey Chemicals Ltd | Bentone |
| Montrose, Tayside – James Mills (Montrose) Ltd | Metal processing |
| Paisley, Strathclyde – Carlton Die Castings Ltd | Die casting of non-ferrous metals |
| Port Glasgow, Strathclyde – Clyde Canvas Goods and Structures Ltd | Canvas goods |
| Skene, Grampian – Kingswells Body Builders Ltd | Vehicle bodybuilding |
| Whitburn, Lothian – Gilliland and Walker Ltd. | Processing of bacon |

Total aid for 13 industry projects (global application) £1 824 676

**Infrastructure projects**

Glasgow, Strathclyde – Strathclyde Regional Council. Modernisation and enlargement of Shieldhall sewage treatment works, phase I £886 500

Fife and Tayside regions – Fife regional council. Extraction of water from the River Earn in Tayside region to add a further 15 million gallons per day of treated water to Fife Region's supply £543 955.5

Aid is given under a global application to the following projects:

| | |
|---|---|
| Tayside region | |
| Arbroath | Construction of storm outfall |
| Strathclyde region | |
| Ayr | Construction of a pit into both rail wagons and road vehicles can be discharged |
| Carluke | Provision of access road, footpaths, drainage etc for an industrial estate |
| Greenock | Expansion of container terminal handling capacity and railhead improvements |
| Renfrew | Construction of an access road to enable port and port-associated development |
| Lothian region | |
| Dechmont | Construction of new covered service reservoir |
| Newbridge/Ingliston | Provision of additional water supply |
| Prestonpans (Mid Road) | Provision of foul and surface water sewers |
| Wallyford | Provision of roads, drainage, water and sewerage and other services for industrial estate |
| Fife region | |
| Glenrothes | Provision of electricity supplies to new factories |
| Central region | |
| Stirling (Bandeath) | Provision of access roads, water, drainage and other services |

Total aid in respect of 11 infrastructure projects (global application) £1 256 700

Total (all infrastructure projects) £2 687 155.5

## Wales

Total aid (all projects) £4 392 684

**Industry projects**

Magor, Gwent – Whitbread and Co Ltd. Establishment of lager brewing, packaging and warehousing facilities to supplement the output of the company's other breweries. The packaging and warehousing facilities will serve the other breweries also £1 418 684

Merthyr Tydfil, Mid Glamorgan – Hoover Ltd. Expansion of facilities to increase the production capacity of washing machines and tumble dryers, begin production of dishwashers, top-loader washing machines and mini-tumbler dryers, and expand component production £2 974 000

## Northern Ireland

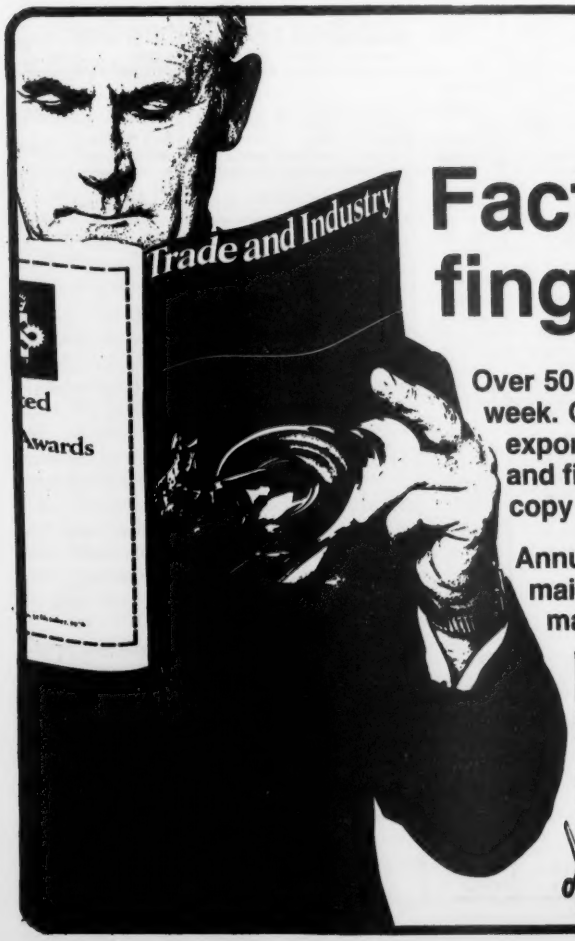
Total aid £4 540 719.5

**Industrial projects**

Co. Londonderry

Coleraine: AVX Corporation. Modification of vacant factory and provision of equipment to provide manufacturing and research facilities for industrial ceramic capacitors and related products £1 355 600

Londonderry: Du Pont (UK) Ltd. Conversion of the Neoprene operation for production of synthetic rubber at Maydown plant £3 185 119.5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# Statistics

## The economy: selected indicators

Series are seasonally adjusted except where shown otherwise

| | Gross domestic product (average estimate) | Consumers' expenditure | Fixed capital expenditure | | | Changes in stocks | | | | Balance of payments | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | of which | | | of which | | | | | |
| | | | Total | Manufacturing industry | Distributive and service industries excl. shipping | Total | Manufacturing industry | Wholesalers | Retailers | Current balance | Visible balance | Invisible balance |
| | at 1975 prices | | at 1975 prices | | | at 1975 prices | | | | at current prices | | |
| Base of index Series in Stock level at end-1977 | 1975 | £ million | £ million | | | £ million 34,469 | 20,353 | 4,540 | 3,181 | £ million | | |
| 1971 | 94.5 | 59 340 | 20 208 | 3 923 | 3 888 | 235 | .. | .. | .. | 1 090 | 261 | 829 |
| 1972 | 96.7 | 62 762 | 20 239 | 3 398 | 4 055 | 73 | .. | .. | .. | 135 | −722 | 857 |
| 1973 | 103.4 | 65 497 | 21 609 | 3 504 | 4 674 | 2 983 | 1 336 | 432 | 624 | −999 | −2 383 | 1 384 |
| 1974 | 101.4 | 64 070 | 21 164 | 3 822 | 4 605 | 1 462 | 1 288 | 361 | −180 | −3 591 | −5 235 | 1 644 |
| 1975 | 100.0 | 63 192 | 20 817 | 3 522 | 3 841 | −1 925 | −1 221 | −249 | −100 | −1 855 | −3 236 | 1 381 |
| 1976 | 102.9 | 63 320 | 20 489 | 3 345 | 3 926 | 261 | 316 | 131 | 13 | −1 137 | −3 589 | 2 452 |
| 1977 | 104.8 | 62 732 | 19 738 | 3 573 | 4 325 | 1 051 | 442 | 266 | 29 | 289 | −1 709 | 1 998 |
| 1976 2nd qtr. | .. | .. | .. | 828 | 972 | .. | −46 | −10 | −67 | −313 | −949 | 636 |
| 3rd qtr. | .. | .. | .. | 849 | 1 005 | .. | 53 | 81 | 46 | −416 | −1 132 | 716 |
| 4th qtr. | .. | .. | .. | 856 | 1 014 | .. | 255 | 17 | 27 | −329 | −958 | 629 |
| 1977 1st qtr. | .. | .. | .. | 851 | 1 030 | .. | 267 | 82 | 117 | −495 | −973 | 478 |
| 2nd qtr. | .. | .. | .. | 879 | 1 044 | .. | 79 | 179 | 4 | −297 | −762 | 465 |
| 3rd qtr. | .. | .. | .. | 910 | 1 103 | .. | −18 | −80 | −59 | 574 | 31 | 543 |
| 4th qtr. | .. | .. | .. | 932 | 1 149 | .. | 115 | 85 | −33 | 507 | −5 | 512 |
| 1978 1st qtr. | .. | .. | .. | 920 | 1 169 | .. | 71 | 81 | 62 | −317 | −612 | 295 |
| 2nd qtr. | .. | .. | .. | 979 | 1 172 | .. | 191 p | −15 p | 128 | 198 | −135 | 333 |
| % change last 2 qtrs. on prev. 2 qtrs. | .. | .. | .. | +3.1 | +4.0 | | | | | | | |
| on a year earlier | .. | .. | .. | +9.8 | +12.9 | | | | | | | |

| | Industrial production | | Personal expenditure | | Prices and earnings | | | | | Labour (UK) | | | Visible trade (volume) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total all industries | Total manufacturing industries | Retail sales | Cars: new registrations | Retail prices | % increase on a year earlier | Wholesale prices: all manufacturing industry: basic materials and fuel used | Wholesale prices: all manufacturing industry: manufactured products: home sales | Average gross earnings of all employees (GB, all industries and services covered) | Unemployed excluding school leavers and adult students: mid-month count | Unemployed excluding school leavers and adult students: % of total employees | Unfilled vacancies for adults: mid-month count | Export | Import |
| | | | | monthly averages | | | | | | | | | On a balance of payment basis | |
| | at 1975 prices | | at 1971 prices | | (not seasonally adjusted) | | | | (old series) | | | | at 1975 prices | |
| Base of index £m in base year Series in | 1975 | 1975 | 1971 16,296 | thousands | Jan. 1974 | | 1975 | 1975 | Jan. 1970 | thousands | | thousands | 1975 19,463 | 1975 22,699 |
| 1971 | – | – | 100.0 | 108.5 | 80.0 | 9.4 | 23.2 | 47.6 | 118.7 | 775.8 | 3.4 | 130.9 | 85.4 | 85.7 |
| 1972 | – | – | 105.3 | 138.6 | 85.7 | 7.1 | 24.2 | 50.1 | 134.0 | 854.9 | 3.7 | 147.3 | 85.2 | 95.3 |
| 1973 | 109.5 | 108.3 | 110.3 | 137.1 | 93.5 | 9.1 | 55.8 | 66.6 | 152.1 | 611.0 | 2.6 | 307.0 | 97.8 | 108.7 |
| 1974 | 105.1 | 106.5 | 109.0 | 102.8 | 108.5 | 16.0 | 86.3 | 81.9 | 179.1 | 599.7' | 2.6' | 302.7' | 104.3 | 109.7 |
| 1975 | 100.0 | 100.0 | 106.7 | 97.2 | 134.8 | 24.2 | 100.0 | 100.0 | 226.6 | 929.0 | 3.9 | 150.0' | 100.0 | 100.0 |
| 1976 | 102.0 | 101.4 | 106.5 | 104.7 | 157.1 | 16.5 | 127.0 | 117.3 | 261.9 | 1 269.8' | 5.4' | 120.4' | 109.8 | 105.7 |
| 1977 | 105.9 | 103.0 | 103.6 | 107.1 | 182.0 | 15.8 | 145.6 | 140.6 | 288.5 | 1 378.1 | 5.8 | 155.6' | 118.9 | 107.1 |
| 1977 1st qtr. | 105.7 | 104.0 | 103.3 | 104 | 174.1 | 16.5 | 144.8 | 133.0 | 280.0 | 1 329.5 | 5.6 | .. | 115.8 | 109.4 |
| 2nd qtr. | 105.5 | 102.5 | 102.5 | 103 | 181.9 | 17.4 | 148.8 | 139.6 | 285.3 | 1 340.6 | 5.6 | 157.7 | 118.0 | 109.6 |
| 3rd qtr. | 106.5 | 103.4 | 104.3 | 112 | 184.7 | 16.6 | 146.5 | 143.8 | 288.3 | 1 414.6 | 5.9 | 151.9 | 124.4 | 106.6 |
| 4th qtr. | 106.0 | 102.2 | 104.4 | 110 | 187.4 | 13.1 | 142.2 | 145.8 | 300.4 | 1 427.8 | 6.0 | 160.1 | 117.6 | 102.7 |
| 1978 1st qtr. | 107.2 | 102.7 | 106.3 | 129 | 190.6 | 9.5 | 140.2 | 149.2 | 310.8 | 1 409.4 | 5.9 | 187.7 | 119.9 | 114.1 |
| 2nd qtr. | 110.8 | 104.3 | 108.0 | | 195.8 | 7.7 | 146.3 | 151.8 | | 1 372.7 | 5.7 | 210.3 | 122.2 | 109.6 |
| 1977 Oct. | 105.8 | 101.8 | 102.7 | 116 | 186.5 | 14.1 | 143.7 | 145.3 | 295.8 | 1 431.5 | 6.0 | 156.0 | 119.0 | 101.4 |
| Nov. | 105.7 | 101.7 | 103.1 | 108 | 187.4 | 13.0 | 142.0 | 145.7 | 300.5 | 1 429.6 | 6.0 | 159.4 | 115.1 | 98.5 |
| Dec. | 106.5 | 102.9 | 106.9 | 104 | 188.4 | 12.1 | 141.0 | 146.3 | 304.8 | 1 422.3 | 6.0 | 165.0 | 118.8 | 108.1 |
| 1978 Jan. | 107.0 | 102.5 | 104.9 | 125 | 189.5 | 9.9 | 139.4 | 148.3 | 306.3 | 1 419.2 | 5.9 | 180.3 | 111.7 | 114.4 |
| Feb. | 107.5 | 102.4 | 106.8 | 120 | 190.6 | 9.5 | 139.1 | 149.2 | 311.2 | 1 409.0 | 5.9 | 187.0 | 127.2 | 111.1 |
| Mar. | 107.2 | 103.2 | 107.0 | 142 | 191.8 | 9.1 | 142.0 | 150.0 | 314.8 | 1 400.0 | 5.9 | 195.8 | 120.9 | 116.7 |
| Apr. | 111.1 | 104.7 | 106.7 | 132 | 194.6 | 7.9 | 145.1 | 150.9 | 325.7 | 1 387.1 | 5.8 | 203.7 | 125.7 | 103.7 |
| May | 110.0 | 103.1 | 108.4 | 124 | 195.7 | 7.7 | 146.8 | 151.9 | 327.2 | 1 366.4 | 5.7 | 209.9 | 119.2 | 113.8 |
| June | 111.4 | 105.1 | 108.7 | 133 | 197.2 | 7.4 | 147.0 | 152.7 | 333.8 p | 1 364.7 | 5.7 | 217.4 | 121.6 | 111.3 |
| July | 111.8 | 105.1 | 111.4 | 108 | 198.1 | 7.8 | 145.7 p | 153.8 p | | 1 371.4 | 5.7 | 211.0 | 127.0 | 115.8 |
| Aug | | | 111½ p | | 199.4 | 8.0 | 144.3 p | 154.5 p | | 1 392.1 | 5.8 | 209.3 | 125.0 p | 111.4 p |
| % change latest 3 months | | | | | | | | | | | | | | |
| on prev. 3 months | +2.3 | +1.0 | +2.9 | −7.4 | +2.2 | | +0.7 | +1.8 | +5.8 | −0.6 | | +4.6 | +2 | +1½ |
| on a year earlier | +4.9 | +1.5 | +6.5 | +15.5 | +7.7 | | −1.1 | +1.8 | +15.3 | −1.1 | | +36.6 | +1 | +4 |

p Provisional pe 2nd Preliminary e Estimate .. Not available ' Average of available months

**Inquiries:** 01-215 3453

# Current account of the United Kingdom balance of payments for August

**August 1978**

The current account for August is estimated to have been in surplus by £133 million, following the deficit of £57 million in July.

There was a surplus on trade in goods in August of £58 million, following the deficit of £132 million in July; a reduction in the deficit on trade in oil contributed significantly to this improvement. Exports were valued at £3,022 million, slightly below the July level. Imports, at £2,964 million, fell by more than £200 million, partly the result of an industrial dispute at Southampton Docks which may have reduced imports by around £40 million (see note 1). The balance on invisibles is projected to have been running at a monthly surplus of £75 million (see section on invisibles).

**Latest three months**

In the three months ended August, the current account was in surplus by £87 million compared with a deficit of £7 million in the previous three months.

In the latest period, visible trade was in deficit by £174 million compared with a deficit of £327 million in the previous three months. The improvement occurred despite a worsening of £89 million in the balance on the more erratic items of trade.

The surplus on invisibles in the latest three months period is projected at £261 million.

## Current account on balance of payments basis

**VISIBLE TRADE** (tables 2, 4, 5, 6 and 6a)

**August**

In August, there was a surplus on visible trade of £58 million, following the deficit of £132 million in July. Some two-thirds of this improvement of £190 million between the two periods resulted from a reduction in the deficit on trade in oil from an erratically large deficit in July. The value of total exports declined by £26 million, while total imports fell by £216 million from the high July level, with arrivals of ships sharply lower and imports of crude oil down. It is likely that other imports were reduced in August – possibly by around £40 million – by an industrial dispute at Southampton Docks (see note 1).

In terms of *volume*, exports fell by 1½ per cent and imports by 4 per cent. The export unit value index rose by 1 per cent and the import unit value index was unchanged, leading to a 1 per cent rise in the terms of trade index.

**Three months ended August**

In the three months ended August, there was a visible trade deficit of £174 million following one of £327 million in the previous three months. The improvement would have been larger but for a worsening of £89 million in the balance on the more erratic items of trade. The favourable movement included improved balances on trade in non-manufactures and chemicals, resulting from both higher exports and lower imports of these commodities.

Exports were valued at £8,985 million in the three months ended August, 3½ per cent (£324

**Table 1 Current account**

£ million seasonally adjusted

| | Current balance | Visible trade: Visible balance | Visible trade: Exports fob | Visible trade: Imports fob | Invisibles: Balance | Invisibles: Credits | Invisibles: Debits |
|---|---|---|---|---|---|---|---|
| 1977 4th quarter | +507 | −5 | 8 187 | 8 192 | +512 | 4 141 | 3 629 |
| 1978 1st quarter | −317 | −612 | 8 410 | 9 022 | +295 | 4 230 | 3 935 |
| 2nd quarter | +198 | −135 | 8 759 | 8 894 | +333 | 4 295 | 3 962 |
| 1978 March | −194 | −292 | 2 817 | 3 109 | +98 [2] | Monthly figures of credits and debits are not available | |
| April | +303 | +192 | 2 990 | 2 798 | +111 [2] | | |
| May | −116 | −227 | 2 854 | 3 081 | +111 [2] | | |
| June | +11 | −100 | 2 915 | 3 015 | +111 [2] | | |
| July | −57 [1] | −132 | 3 048 | 3 180 | +75 [1] | | |
| August | +133 [1] | +58 | 3 022 | 2 964 | +75 [1] | | |
| Mar-May | −7 | −327 | 8 661 | 8 988 | +320 | | |
| June-August | +87 [1] | −174 | 8 985 | 9 159 | +261 [1] | | |

[1] Invisibles are projections and subject to revision as information becomes available. [2] One-third of the appropriate calendar quarter's estimate; monthly figures of invisibles not available.

**Table 2 Current balance, visible trade and invisible trade**

Balance of payments basis

£ million seasonally adjusted

| | Current balance | Visible trade: Visible balance | Visible trade: Exports fob | Visible trade: Imports fob | Invisible balance |
|---|---|---|---|---|---|
| 1976 r | −1 137 | −3 589 | 25 424 | 29 013 | +2 452 |
| 1977 r | +289 | −1 709 | 32 182 | 33 891 | +1 998 |
| 1976 1st quarter r | +79 | −550 | 5 654 | 6 204 | +471 |
| 2nd quarter r | −313 | −949 | 6 160 | 7 109 | +636 |
| 3rd quarter r | −416 | −1 132 | 6 513 | 7 645 | +716 |
| 4th quarter r | −329 | −958 | 7 097 | 8 055 | +629 |
| 1977 1st quarter r | −495 | −973 | 7 512 | 8 485 | +478 |
| 2nd quarter r | −297 | −762 | 7 927 | 8 689 | +465 |
| 3rd quarter r | +574 | +31 | 8 556 | 8 525 | +543 |
| 4th quarter r | +507 | −5 | 8 187 | 8 192 | +512 |
| 1978 1st quarter r | −317 | −612 | 8 410 | 9 022 | +295 |
| 2nd quarter r | +198 | −135 | 8 759 | 8 894 | +333 |
| 1978 March r | −194 | −292 | 2 817 | 3 109 | +98 [2] |
| April r | +303 | +192 | 2 990 | 2 798 | +111 [2] |
| May r | −116 | −227 | 2 854 | 3 081 | +111 [2] |
| June r | +11 | −100 | 2 915 | 3 015 | +111 [2] |
| July r | −57 [1] | −132 | 3 048 | 3 180 | +75 [1] |
| August p | +133 [1] | +58 | 3 022 | 2 964 | +75 [1] |
| Mar-May | −7 | −327 | 8 661 | 8 988 | +320 |
| June-Aug | +87 [1] | −174 | 8 985 | 9 159 | +261 [1] |
| Percentage change [3] | | | +3½ | +2 | |

p Provisional estimates r Revised estimates [1] Invisibles are projections, subject to revision as information becomes available. [2] One-third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available. [3] Percentage change: latest three months on previous three months.

**Table 3 Invisibles**

£ million seasonally adjusted

| | Invisibles: Total: Balance | Total: Credits | Total: Debits | of which private sector and public corporations [1]: Balance | Credits | Debits |
|---|---|---|---|---|---|---|
| 1976 | +2 452 | 14 354 | 11 902 | +4 702 | 13 179 | 8 477 |
| 1977 | +1 998 | 16 135 | 14 137 | +4 712 | 14 708 | 9 996 |
| 1976 2nd quarter | +636 | 3 478 | 2 842 | +1 164 | 3 187 | 2 023 |
| 3rd quarter | +716 | 3 743 | 3 027 | +1 283 | 3 425 | 2 152 |
| 4th quarter | +629 | 3 912 | 3 283 | +1 288 | 3 624 | 2 336 |
| 1977 1st quarter | +478 | 3 922 | 3 444 | +1 168 | 3 625 | 2 457 |
| 2nd quarter | +465 | 3 957 | 3 492 | +1 143 | 3 647 | 2 504 |
| 3rd quarter | +543 | 4 115 | 3 572 | +1 229 | 3 749 | 2 520 |
| 4th quarter | +512 | 4 141 | 3 629 | +1 172 | 3 687 | 2 515 |
| 1978 1st quarter | +295 | 4 230 | 3 935 | +1 163 | 3 761 | 2 598 |
| 2nd quarter | +333 | 4 295 | 3 962 | +1 094 | 3 777 | 2 683 |
| July | +75 [2] | n.a. | n.a. | n.a. | n.a. | n.a. |
| August | +75 [2] | | | | | |

n.a. Not available. [1] ie excluding general government transactions and all transfers. [2] See note 1 of table 2.

million) higher than in the previous three months. This increase was generally widely spread over the major commodity groups and occurred despite a fall of £125 million in exports of the more erratic items. By volume, exports rose by 2 per cent (3½ per cent excluding the more erratic items), suggesting a further continuation of the recovery from the low level at the turn of the year.

The value of imports in the latest period was £9,159 million, 2 per cent (£171 million) above the level of the previous period, largely the result of increased arrivals of manufactures (other than chemicals). In volume terms, total imports were up by 1½ per cent (2 per cent excluding the more erratic items).

With the export and import unit value indices both rising by 2½ per cent, the terms of trade index was unchanged.

**INVISIBLES** (table 3)

The latest estimates of invisibles – services, interest, profits and dividends and transfers – relate to the second quarter of 1978 when credits were £4,295 million and debits £3,962 million, giving a surplus of £333 million for the quarter (a monthly average of £111 million). Invisibles of the private sector and public corporations, excluding transfers, were in surplus by £1,094 million in the second quarter (a monthly average of £365 million). The surplus on all invisibles is projected to average about £75 million a month in the third quarter. This is substantially lower than the estimate for the second quarter because of the higher net contributions to the EEC in the third quarter.

**EXPORTS By area** (table 7)

In the three months ended August, the value of exports to the developed countries rose by 4½ per cent in comparison with the previous three months. Deliveries to the EEC increased by 3½ per cent, while the value of goods despatched to the rest of western Europe was 6½ per cent up. Exports to north America rose by 5½ per cent. Shipments to the other developed countries increased by 3½ per cent. Exports to the developing countries in aggregate rose by 3 per cent in the three months ended August. Within the total, the growth in shipments to the oil-exporting countries appears to have slowed down of late, and there was a fall of 2½ per cent between the periods; in contrast, exports to the other developing countries now seem to be recovering and were up 8½ per cent. The value of shipments to the centrally planned economies fell by 20 per cent from the high level of the previous period.

## Table 4 Export and import unit value and volume index numbers

Balance of payments basis — Indices 1975 = 100

| | Unit value (Not seasonally adjusted) | | | Volume (Seasonally adjusted) | |
|---|---|---|---|---|---|
| | Exports | Imports | Terms of trade [1] | Exports | Imports |
| 1976 r | 120.7 | 121.6 | 99.3 | 109.8 | 105.7 |
| 1977 r | 142.4 | 141.4 | 100.7 | 118.9 | 107.1 |
| 1976 1st quarter r | 110.7 | 109.8 | 100.8 | 106.2 | 100.2 |
| 2nd quarter r | 116.9 | 118.4 | 98.8 | 109.7 | 106.3 |
| 3rd quarter r | 123.9 | 124.4 | 99.6 | 110.1 | 109.0 |
| 4th quarter r | 131.3 | 133.7 | 98.2 | 113.4 | 107.1 |
| 1977 1st quarter r | 135.7 | 137.2 | 98.9 | 115.8 | 109.4 |
| 2nd quarter r | 141.4 | 141.0 | 100.3 | 118.0 | 109.6 |
| 3rd quarter r | 145.2 | 143.7 | 101.0 | 124.4 | 106.6 |
| 4th quarter r | 147.3 | 143.8 | 102.4 | 117.6 | 102.7 |
| 1978 1st quarter r | 149.6 | 142.6 | 104.9 | 119.9 | 114.1 |
| 2nd quarter r | 153.7 | 147.1 | 104.5 | 122.2 | 109.6 |
| 1978 March r | 150.1 | 143.4 | 104.7 | 120.9 | 116.7 |
| April r | 151.6 | 145.6 | 104.1 | 125.7 | 103.7 |
| May r | 154.7 | 147.0 | 105.2 | 119.2 | 113.8 |
| June r | 154.9 | 148.7 | 104.2 | 121.6 | 111.3 |
| July r | 155.7 | 149.0 | 104.5 | 127.0 | 115.8 |
| August p | 157.3 | 148.8 | 105.7 | 125.0 | 111.4 |
| Mar-May | 152.1 | 145.3 | 104.7 | 121.9 | 111.4 |
| June-Aug | 156.0 | 148.8 | 104.8 | 124.5 | 112.8 |
| Percentage change | +2½ | +2½ | – | +2 | +1½ |

[1] Export unit value index as a percentage of the import unit value index.

## Table 5 Balance of trade in oil and in other goods

Balance of payments basis — £ million seasonally adjusted

| | Visible balance | | |
|---|---|---|---|
| | Total trade | Trade in oil [1] | Trade in other goods |
| 1976 r | −3 589 | −3 973 | +384 |
| 1977 r | −1 709 | −2 804 | +1 095 |
| 1976 1st quarter r | −550 | −947 | +397 |
| 2nd quarter r | −949 | −968 | +19 |
| 3rd quarter r | −1 132 | −1 058 | −74 |
| 4th quarter r | −958 | −1 000 | +42 |
| 1977 1st quarter r | −973 | −800 | −173 |
| 2nd quarter r | −762 | −745 | −17 |
| 3rd quarter r | +31 | −602 | +633 |
| 4th quarter r | −5 | −657 | +652 |
| 1978 1st quarter r | −612 | −646 | +34 |
| 2nd quarter r | −135 | −420 | +285 |
| 1978 March r | −292 | −209 | −83 |
| April r | +192 | −149 | +341 |
| May r | −227 | −155 | −72 |
| June r | −100 | −116 | +16 |
| July r | −132 | −229 | +97 |
| August p | +58 | −107 | +165 |
| Mar-May | −327 | −513 | +186 |
| June-Aug | −174 | −452 | +278 |

[1] Trade in petroleum and petroleum products.

## Table 6 Trade in oil [2]

Balance of payments basis — Seasonally adjusted

| | Balance of trade in oil | Exports of oil | | | Imports of oil | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Crude oil [1] [SITC (rev 2) 333.0] | Rest of division 33 | Total | Crude oil [SITC (rev 2) 333.0] | | | Rest of division 33 |
| | £ million fob | £ million fob | £ million fob | £ million fob | £ million fob | £ million fob | Million tonnes | Average value per tonne £ fob | £ million fob |
| 1976 | −3 973 | 1 172 | 178 | 994 | 5 145 | 4 089 | 87.0 | 47.0 | 1 056 |
| 1977 | −2 804 | 1 965 | 904 | 1 061 | 4 769 | 3 681 | 68.6 | 53.7 | 1 088 |
| 1976 1st quarter | −947 | 221 | 18 | 203 | 1 168 | 925 | 21.8 | 42.7 | 243 |
| 2nd quarter | −968 | 266 | 24 | 242 | 1 234 | 962 | 21.1 | 45.8 | 272 |
| 3rd quarter | −1 058 | 307 | 45 | 262 | 1 365 | 1 080 | 22.2 | 48.8 | 285 |
| 4th quarter | −1 000 | 378 | 91 | 287 | 1 378 | 1 122 | 21.9 | 51.1 | 256 |
| 1977 1st quarter | −800 | 454 | 163 | 291 | 1 254 | 1 006 | 19.1 | 53.0 | 248 |
| 2nd quarter | −745 | 516 | 239 | 277 | 1 261 | 988 | 18.2 | 54.3 | 273 |
| 3rd quarter | −602 | 560 | 300 | 260 | 1 162 | 880 | 16.2 | 54.3 | 282 |
| 4th quarter | −657 | 435 | 202 | 233 | 1 092 | 807 | 15.1 | 53.2 | 285 |
| 1978 1st quarter | −646 | 468 | 268 | 200 | 1 114 | 866 | 17.3 | 50.0 | 248 |
| 2nd quarter | −420 | 535 | 290 | 245 | 955 | 735 | 14.1 | 52.0 | 220 |
| 1978 March | −209 | 166 | 93 | 73 | 375 | 284 | 5.8 | 49.2 | 91 |
| April | −149 | 169 | 74 | 95 | 318 | 248 | 4.8 | 51.4 | 70 |
| May | −155 | 198 | 113 | 85 | 353 | 276 | 5.3 | 51.6 | 77 |
| June | −116 | 168 | 103 | 65 | 284 | 211 | 4.0 | 53.1 | 73 |
| July | −229 | 173 | 93 | 80 | 402 | 316 | 6.2 | 50.7 | 86 |
| August p | −107 | 236 | 140 | 96 | 343 | 268 | 5.4 | 50.0 | 75 |
| Mar-May | −513 | 533 | 280 | 253 | 1 046 | 808 | 15.9 | 50.7 | 238 |
| June-Aug | −452 | 577 | 337 | 240 | 1 029 | 795 | 15.6 | 51.1 | 234 |
| Percentage change | | +8½ | +20 | −5 | −1½ | −1½ | −2½ | +1 | −2½ |

[1] Not seasonally adjusted. [2] Trade in petroleum and petroleum products.

## Table 6a Value and volume of exports and imports excluding the more erratic items[1]

Balance of payments basis — Seasonally adjusted

| | Exports fob | | Imports fob | |
|---|---|---|---|---|
| | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 |
| 1976 r | 23 382 | 108.9 | 27 056 | 106.9 |
| 1977 r | 29 520 | 118.1 | 31 187 | 107.5 |
| 1976 1st quarter r | 5 245 | 106.2 | 5 863 | 102.7 |
| 2nd quarter r | 5 613 | 108.0 | 6 483 | 105.2 |
| 3rd quarter r | 6 003 | 109.5 | 7 094 | 109.7 |
| 4th quarter | 6 521 | 112.2 | 7 616 | 109.9 |
| 1977 1st quarter r | 6 934 | 115.2 | 7 940 | 111.4 |
| 2nd quarter r | 7 281 | 117.3 | 7 748 | 106.6 |
| 3rd quarter r | 7 796 | 122.8 | 7 931 | 108.5 |
| 4th quarter r | 7 509 | 117.0 | 7 568 | 103.7 |
| 1978 1st quarter r | 7 811 | 121.0 | 8 391 | 116.3 |
| 2nd quarter r | 7 944 | 122.3 | 8 234 | 111.3 |
| 1978 March r | 2 637 | 122.8 | 2 852 | 117.4 |
| April r | 2 658 | 123.7 | 2 586 | 105.2 |
| May r | 2 622 | 121.1 | 2 868 | 116.3 |
| June r | 2 664 | 122.2 | 2 780 | 112.4 |
| July r | 2 825 | 129.1 | 2 927 | 117.6 |
| August p | 2 874 | 129.6 | 2 806 | 115.7 |
| Mar-May | 7 917 | 122.5 | 8 306 | 113.0 |
| June-Aug | 8 363 | 127.0 | 8 513 | 115.2 |
| Percentage change | +5½ | +3½ | +2½ | +2 |

[1] These are defined as ships, North Sea production installations, aircraft and precious stones.

**By commodity** (tables 8, 9 and 10)
The value of exports of manufactured goods in the three months ended August was 3 per cent higher than in the previous three months, with a volume rise of 2 per cent. Within this broad group of commodities, the value of deliveries of machinery rose by 3 per cent, although volume was unchanged, while shipments of road vehicles fell back – by 4 per cent in value and 1½ per cent in volume. Chemical exports continue to recover and increased by 6 per cent in value and 4 per cent in volume in the latest three months, while shipments of metals fell marginally in value and by 3 per cent in volume. The value of textile exports was 4½ per cent higher, with volume 1½ per cent up. The value of exports of other manufactured goods, which include precious stones, rose by 3 per cent with volume up by 2½ per cent: excluding trade in precious stones, value rose by 11 per cent and volume by 8½ per cent. Exports of non-manufactured goods in total rose 7 per cent in the three months to August. Within this category, shipments of food, beverages and tobacco were up by 4½ per cent in value, but fell by 1½ per cent in volume. The value of deliveries of basic materials rose by 11 per cent, with a rise of 7½ per cent in volume; in

## Table 7 Exports by area

Overseas Trade Statistics basis — £ million fob seasonally adjusted

| | | Developed countries | | | | | Developing countries | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Total | EEC | Rest of W. Europe | North America | Other | Total | Oil-exporting countries | Other | Centrally planned economies |
| 1976 | 26 024 | 18 612 | 9 249 | 4 298 | 3 116 | 1 949 | 6 630 | 3 221 | 3 409 | 726 |
| 1977 | 33 308 | 23 689 | 12 128 | 5 594 | 3 863 | 2 104 | 8 613 | 4 368 | 4 245 | 910 |
| 1977 1st quarter | 7 716 | 5 539 | 2 813 | 1 300 | 902 | 525 | 1 925 | 1 026 | 899 | 207 |
| 2nd quarter | 8 272 | 5 972 | 3 044 | 1 446 | 957 | 525 | 2 103 | 1 074 | 1 029 | 245 |
| 3rd quarter | 8 829 | 6 290 | 3 161 | 1 506 | 1 083 | 541 | 2 213 | 1 132 | 1 081 | 258 |
| 4th quarter | 8 491 | 5 888 | 3 110 | 1 342 | 922 | 513 | 2 372 | 1 135 | 1 236 | 200 |
| 1978 1st quarter | 8 849 | 6 141 | 3 245 | 1 350 | 997 | 548 | 2 382 | 1 185 | 1 197 | 293 |
| 2nd quarter | 9 075 | 6 483 | 3 465 | 1 388 | 1 048 | 583 | 2 400 | 1 232 | 1 167 | 256 |
| 1978 June | 3 019 | 2 137 | 1 152 | 419 | 362 | 204 | 805 | 403 | 402 | 87 |
| July r | 3 178 | 2 246 | 1 166 | 531 | 361 | 187 | 837 | 396 | 441 | 84 |
| August p | 3 187 | 2 254 | 1 210 | 500 | 341 | 203 | 819 | 392 | 427 | 69 |
| Mar-May | 9 026 | 6 346 | 3 401 | 1 364 | 1 008 | 573 | 2 395 | 1 222 | 1 172 | 302 |
| June-Aug | 9 384 | 6 637 | 3 528 | 1 451 | 1 064 | 593 | 2 461 | 1 191 | 1 270 | 241 |
| Percentage change | +4 | +4½ | +3½ | +6½ | +5½ | +3½ | +3 | −2½ | +8½ | −20 |

## Table 8 Exports by commodity

Overseas Trade Statistics basis — £ million fob seasonally adjusted

| | | | | | Manufactures[2] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Machinery and transport equipment[2] | | | | | | | | |
| | Total | Food, beverages and tobacco | Basic materials | Fuels | Total | Total | Machinery | Road vehicles | Other transport equipment[1,2] | Chemicals | Metals | Textiles | Other manufactures | Miscellaneous |
| SITC | 0-9 | 0 + 1 | 2 + 4 | 3 | 5-8 | 7 | 71-77 | 78 | 79 | 5 | 67-69 | 65 | Rest of 6 + 8 | 9 |
| 1976 | 26 024 | 1 692 | 735 | 1 265 | 21 616 | 10 383 | 6 994 | 2 377 | 1 012 | 3 007 | 2 362 | 972 | 4 892 | 715 |
| 1977 | 33 308 | 2 217 | 895 | 2 078 | 27 172 | 12 680 | 8 337 | 2 871 | 1 473 | 3 821 | 2 879 | 1 193 | 6 599 | 945 |
| 1977 1st quarter | 7 716 | 494 | 228 | 482 | 6 263 | 2 863 | 1 925 | 669 | 270 | 879 | 699 | 298 | 1 543 | 214 |
| 2nd quarter | 8 272 | 539 | 218 | 547 | 6 754 | 3 105 | 2 063 | 723 | 319 | 946 | 751 | 295 | 1 693 | 243 |
| 3rd quarter | 8 829 | 591 | 232 | 588 | 7 189 | 3 394 | 2 128 | 736 | 530 | 1 029 | 742 | 309 | 1 634 | 244 |
| 4th quarter | 8 491 | 593 | 218 | 462 | 6 966 | 3 318 | 2 221 | 744 | 354 | 967 | 688 | 292 | 1 730 | 244 |
| 1978 1st quarter | 8 849 | 699 | 208 | 499 | 7 178 | 3 320 | 2 195 | 759 | 366 | 980 | 735 | 307 | 1 840 | 232 |
| 2nd quarter | 9 075 | 729 | 243 | 571 | 7 344 | 3 457 | 2 271 | 805 | 381 | 1 037 | 759 | 296 | 1 849 | 244 |
| 1978 June | 3 019 | 251 | 86 | 180 | 2 433 | 1 167 | 765 | 265 | 138 | 360 | 241 | 101 | 566 | 89 |
| July r | 3 178 | 252 | 89 | 185 | 2 546 | 1 140 | 763 | 253 | 124 | 350 | 276 | 107 | 669 | 77 |
| August p | 3 187 | 241 | 80 | 247 | 2 548 | 1 137 | 783 | 260 | 94 | 356 | 253 | 102 | 669 | 69 |
| Mar-May | 9 026 | 711 | 230 | 569 | 7 296 | 3 415 | 2 247 | 810 | 359 | 1 004 | 773 | 297 | 1 851 | 237 |
| June-Aug | 9 384 | 745 | 256 | 612 | 7 527 | 3 444 | 2 311 | 778 | 356 | 1 066 | 770 | 310 | 1 903 | 235 |
| Percentage change | +4 | +4½ | +11 | +7½ | +3 | +1 | +3 | −4 | −1 | +6 | −½ | +4½ | +3 | −½ |

[1] Not seasonally adjusted. [2] Includes North Sea production installations.

both cases shipments had been comparatively low earlier in the year. Fuel exports were 7½ per cent higher in the three months to August, mainly reflecting a higher level of crude oil exports.

**IMPORTS**

The import figures for May and June include, on an Overseas Trade Statistics basis, North Sea oil production installations valued at around £240 million and £260 million, respectively. While this affects the levels for certain series, there will be little impact on the three months comparison since May is in the earlier period and June in the later one. Only a small part of these values is included in the figures on

## Table 9 Exports by commodity: volume indices

Overseas Trade Statistics basis

Indices 1975 = 100 seasonally adjusted

| | | | | | Manufactures[1] | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Machinery and transport equipment[1,2] | | | | | | |
| | Total | Food, beverages and tobacco | Basic materials | Fuels | Total | Total | Machinery | Road vehicles | Chemicals | Metals | Textiles | Other manufactures |
| SITC (rev 2) | 0-9 | 0 + 1 | 2 + 4 | 3 | 5-8 | 7 | 71-77 | 78 | 5 | 67-69 | 65 | Rest of 6 + 8 |
| Weights | 1 000 | 71 | 26 | 41 | 828 | 419 | 287 | 92 | 107 | 92 | 36 | 174 |
| 1976 r | 108.7 | 103 | 117 | 120 | 109 | 101 | 99 | 104 | 124 | 109 | 117 | 117 |
| 1977 r | 119.0 | 111 | 125 | 164 | 118 | 105 | 102 | 105 | 141 | 116 | 120 | 135 |
| 1977 1st quarter r | 115.1 | 108 | 131 | 155 | 113 | 100 | 98 | 103 | 131 | 115 | 124 | 133 |
| 2nd quarter r | 118.7 | 109 | 118 | 170 | 118 | 105 | 102 | 106 | 141 | 121 | 120 | 136 |
| 3rd quarter | 123.9 | 114 | 130 | 183 | 123 | 110 | 103 | 105 | 150 | 120 | 122 | 131 |
| 4th quarter r | 118.1 | 115 | 121 | 149 | 117 | 105 | 104 | 105 | 142 | 109 | 112 | 138 |
| 1978 1st quarter r | 121.8 | 137 | 120 | 174 | 118 | 103 | 100 | 107 | 144 | 115 | 119 | 142 |
| 2nd quarter r | 122.3 | 134 | 141 | 196 | 119 | 108 | 102 | 120 | 154 | 118 | 113 | 131 |
| 1978 June | 121.7 | 135 | 147 | 186 | 118 | 109 | 102 | 122 | 156 | 112 | 114 | 122 |
| July | 127.8 | 134 | 155 | 192 | 123 | 106 | 101 | 116 | 154 | 125 | 121 | 144 |
| August p | 127.1 | 129 | 138 | 258 | 122 | 103 | 102 | 113 | 157 | 113 | 115 | 144 |
| March-May | 122.7 | 134 | 136 | 198 | 119 | 106 | 101 | 118 | 150 | 120 | 115 | 134 |
| June-August | 125.5 | 133 | 147 | 212 | 121 | 106 | 101 | 117 | 156 | 117 | 117 | 137 |
| Percentage change | +2½ | −1½ | +7½ | +7 | +2 | −½ | – | −1½ | +4 | −3 | +1½ | +2½ |

[1] Includes North Sea production installations. [2] Indices for other transport equipment SITC (rev 2) 79 are not separately available.

## Table 10 Exports by commodity: unit value indices

Overseas Trade Statistics basis

Indices 1975= 100 not seasonally adjusted

| | | | | | Manufactures | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Machinery and transport equipment[1] | | | | | | |
| | Total | Food, beverages and tobacco | Basic materials | Fuels | Total | Total | Machinery | Road vehicles | Chemicals | Metals | Textiles | Other manufactures |
| SITC (rev 2) | 0-9 | 0 + 1 | 2 + 4 | 3 | 5-8 | 7 | 71-77 | 78 | 5 | 67-69 | 65 | Rest of 6 + 8 |
| 1976 r | 120.8 | 115 | 124 | 126 | 121 | 123 | 123 | 123 | 114 | 119 | 115 | 124 |
| 1977 | 142.5 | 137 | 144 | 150 | 143 | 149 | 148 | 152 | 128 | 136 | 139 | 142 |
| 1977 1st quarter r | 135.9 | 130 | 142 | 145 | 136 | 139 | 139 | 142 | 126 | 133 | 133 | 135 |
| 2nd quarter r | 141.7 | 138 | 151 | 150 | 142 | 146 | 145 | 150 | 128 | 137 | 137 | 143 |
| 3rd quarter r | 145.3 | 142 | 145 | 154 | 145 | 152 | 151 | 156 | 129 | 136 | 142 | 145 |
| 4th quarter r | 147.2 | 139 | 138 | 150 | 148 | 158 | 156 | 161 | 130 | 137 | 145 | 143 |
| 1978 1st quarter r | 149.5 | 143 | 135 | 141 | 151 | 161 | 159 | 161 | 129 | 142 | 145 | 148 |
| 2nd quarter r | 153.7 | 148 | 141 | 141 | 155 | 162 | 162 | 159 | 131 | 145 | 147 | 162 |
| 1978 June r | 154.9 | 150 | 143 | 142 | 157 | 163 | 164 | 158 | 132 | 145 | 149 | 162 |
| July r | 155.7 | 154 | 141 | 139 | 157 | 165 | 164 | 163 | 133 | 148 | 148 | 160 |
| August p | 157.3 | 153 | 142 | 139 | 159 | 168 | 167 | 170 | 133 | 150 | 148 | 160 |
| March-May | 152.1 | 147 | 139 | 140 | 154 | 161 | 160 | 160 | 130 | 144 | 145 | 158 |
| June-August | 156.0 | 152 | 142 | 140 | 158 | 166 | 165 | 164 | 133 | 148 | 148 | 161 |
| Percentage change | +2½ | +3½ | +2 | – | +2½ | +3 | +3 | +2½ | +2½ | +3 | +2 | +2 |

[1] Indices for other transport equipment SITC (rev 2) 79 are not separately available.

## Table 11 Imports by area

Overseas Trade Statistics basis

£ million cif seasonally adjusted

| | | Developed countries | | | | | Developing countries | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Total | EEC | Rest of W. Europe | North America | Other | Total | Oil-exporting countries | Other | Centrally planned economies |
| 1976 | 31 569 | 22 569 | 11 510 | 4 645 | 4 280 | 2 134 | 7 860 | 4 296 | 3 564 | 1 109 |
| 1977 | 36 996 | 27 420 | 14 161 | 5 582 | 4 997 | 2 680 | 8 167 | 3 804 | 4 362 | 1 357 |
| 1977 1st quarter | 9 169 | 6 608 | 3 380 | 1 300 | 1 259 | 668 | 2 157 | 1 032 | 1 125 | 302 |
| 2nd quarter | 9 601 | 7 212 | 3 551 | 1 647 | 1 309 | 705 | 2 117 | 1 030 | 1 087 | 342 |
| 3rd quarter | 9 239 | 6 767 | 3 601 | 1 218 | 1 328 | 620 | 2 065 | 924 | 1 141 | 371 |
| 4th quarter | 8 987 | 6 833 | 3 629 | 1 416 | 1 101 | 687 | 1 828 | 819 | 1 009 | 342 |
| 1978 1st quarter | 9 870 | 7 463 | 3 874 | 1 553 | 1 307 | 728 | 1 975 | 925 | 1 050 | 310 |
| 2nd quarter | 10 183 | 8 203 | 4 119 | 2 029 | 1 387 | 668 | 1 780 | 779 | 1 002 | 313 |
| 1978 June | 3 526 | 2 873 | 1 406 | 774 | 464 | 228 | 565 | 236 | 328 | 107 |
| July r | 3 462 | 2 585 | 1 362 | 545 | 400 | 277 | 702 | 336 | 366 | 122 |
| August p | 3 401 | 2 651 | 1 336 | 591 | 492 | 232 | 681 | 314 | 367 | 96 |
| March-May | 10 096 | 7 987 | 4 102 | 1 769 | 1 390 | 726 | 1 877 | 852 | 1 025 | 298 |
| June-August | 10 389 | 8 108 | 4 105 | 1 910 | 1 356 | 737 | 1 947 | 886 | 1 062 | 325 |
| Percentage change | +3 | +1½ | – | +8 | −2½ | +1½ | +4 | +4 | +3½ | +9½ |

## Table 12 Imports by commodity

Overseas Trade Statistics basis

£ million cif seasonally adjusted

| | | | | Industrial materials | | | | Finished manufactures [2] | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Machinery and transport equipment [2] | | | | | |
| | Total | Food, beverages and tobacco | Fuels | Total | Basic materials | Chemicals | Other semi-manu-factures | Total | Total | Machinery | Road vehicles | Other transport equip-ment [1,2] | Other | Miscel-laneous |
| SITC (rev 2) | 0-9 | 0 + 1 | 3 | 2,4,5,6 | 2 + 4 | 5 | 6 | 7 + 8 | 7 | 71-77 | 78 | 79 | 8 | 9 |
| 1976 | 31 569 | 4 983 | 5 669 | 11 245 | 3 248 | 1 924 | 6 073 | 9 225 | 6 755 | 4 305 | 1 432 | 1 019 | 2 470 | 447 |
| 1977 | 36 996 | 5 945 | 5 252 | 13 491 | 3 612 | 2 365 | 7 513 | 11 803 | 8 780 | 5 298 | 2 133 | 1 349 | 3 023 | 505 |
| 1977 1st quarter | 9 169 | 1 502 | 1 375 | 3 358 | 981 | 604 | 1 773 | 2 739 | 1 995 | 1 285 | 485 | 225 | 744 | 119 |
| 2nd quarter | 9 601 | 1 561 | 1 377 | 3 462 | 888 | 593 | 1 981 | 3 086 | 2 346 | 1 297 | 496 | 553 | 741 | 122 |
| 3rd quarter | 9 239 | 1 547 | 1 278 | 3 324 | 897 | 599 | 1 828 | 2 964 | 2 204 | 1 369 | 555 | 280 | 760 | 141 |
| 4th quarter | 8 987 | 1 336 | 1 223 | 3 346 | 847 | 569 | 1 931 | 3 014 | 2 236 | 1 347 | 598 | 291 | 778 | 123 |
| 1978 1st quarter | 9 870 | 1 521 | 1 267 | 3 606 | 845 | 653 | 2 108 | 3 268 | 2 416 | 1 442 | 669 | 305 | 852 | 119 |
| 2nd quarter | 10 183 | 1 524 | 1 078 | 3 542 | 809 | 673 | 2 060 | 3 950 | 3 042 | 1 569 | 710 | 762 | 908 | 133 |
| 1978 June | 3 526 | 495 | 319 | 1 192 | 269 | 224 | 699 | 1 484 | 1 160 | 539 | 259 | 362 | 324 | 47 |
| July r | 3 462 | 510 | 452 | 1 310 | 286 | 233 | 791 | 1 165 | 837 | 526 | 233 | 78 | 328 | 46 |
| August p | 3 401 | 538 | 379 | 1 276 | 264 | 216 | 797 | 1 125 | 796 | 520 | 201 | 76 | 328 | 91 |
| March-May | 10 096 | 1 561 | 1 185 | 3 628 | 831 | 686 | 2 110 | 3 597 | 2 735 | 1 523 | 683 | 529 | 862 | 128 |
| June-August | 10 389 | 1 543 | 1 149 | 3 778 | 819 | 673 | 2 286 | 3 773 | 2 793 | 1 585 | 693 | 515 | 980 | 184 |
| Percentage change | +3 | −1 | −3 | +4 | −1½ | −2 | +8½ | +5 | +2 | +4 | +1½ | −2½ | +14 | +44 |

[1] Not seasonally adjusted. [2] Includes North Sea production installations.

## Table 13 Imports by commodity: volume indices

Overseas Trade Statistics basis

Indices 1975 = 100 seasonally adjusted

| | | | | Industrial materials | | | | Finished manufactures [1] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Machinery and transport equipment [1,2] | | | |
| | Total | Food, beverages and tobacco | Fuels | Total | Basic materials | Chemicals | Other semi-manu-factures | Total | Total | Machinery | Road vehicles | Other |
| SITC (rev 2) | 0-9 | 0 + 1 | 3 | 2,4,5,6 | 2 + 4 | 5 | 6 | 7 + 8 | 7 | 71-77 | 78 | 8 |
| Weights | 1 000 | 177 | 177 | 341 | 92 | 55 | 194 | 283 | 207 | 137 | 37 | 76 |
| 1976 | 106.4 | 102 | 100 | 112 | 119 | 122 | 106 | 109 | 108 | 104 | 127 | 110 |
| 1977 r | 108.9 | 102 | 83 | 116 | 113 | 133 | 113 | 123 | 125 | 117 | 160 | 118 |
| 1977 1st quarter r | 109.6 | 106 | 87 | 117 | 122 | 137 | 109 | 118 | 117 | 116 | 148 | 120 |
| 2nd quarter r | 112.2 | 107 | 85 | 117 | 109 | 134 | 116 | 130 | 134 | 116 | 150 | 118 |
| 3rd quarter r | 108.0 | 105 | 80 | 114 | 111 | 135 | 110 | 123 | 125 | 120 | 168 | 116 |
| 4th quarter r | 105.6 | 92 | 78 | 117 | 109 | 128 | 117 | 123 | 125 | 116 | 177 | 118 |
| 1978 1st quarter r | 116.4 | 101 | 85 | 128 | 116 | 153 | 126 | 132 | 132 | 126 | 174 | 133 |
| 2nd quarter r | 116.2 | 98 | 71 | 124 | 111 | 157 | 120 | 152 | 159 | 135 | 177 | 135 |
| 1978 June | 120.4 | 96 | 62 | 124 | 109 | 157 | 122 | 172 | 183 | 143 | 190 | 144 |
| July r | 117.8 | 95 | 90 | 135 | 114 | 162 | 136 | 136 | 133 | 139 | 164 | 145 |
| August p | 118.1 | 109 | 75 | 131 | 109 | 157 | 134 | 132 | 127 | 135 | 142 | 146 |
| March-May | 116.2 | 100 | 79 | 127 | 115 | 161 | 123 | 140 | 144 | 130 | 172 | 129 |
| June-August | 118.8 | 100 | 76 | 130 | 111 | 159 | 131 | 147 | 148 | 139 | 165 | 145 |
| Percentage change | +2 | – | −4½ | +2½ | −4 | −1½ | +6 | +5 | +2½ | +6½ | −4 | +13 |

[1] Includes North Sea production installations. [2] Indices for other transport equipment SITC (rev 2) 79 are not separately available.

## Table 14 Imports by commodity: unit value indices

Overseas Trade Statistics basis

Indices 1975 = 100 not seasonally adjusted

| | | | | Industrial materials | | | | Finished manufactures | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Machinery and transport equipment [1] | | | |
| | Total | Food, beverages and tobacco | Fuels | Total | Basic materials | Chemicals | Other Semi-manu-factures | Total | Total | Machinery | Road vehicles | Other |
| SITC (rev 2) | 0-9 | 0 + 1 | 3 | 2,4,5,6 | 2 + 4 | 5 | 6 | 7 + 8 | 7 | 71-77 | 78 | 8 |
| 1976 r | 122.4 | 113 | 131 | 121 | 123 | 120 | 121 | 125 | 127 | 127 | 128 | 121 |
| 1977 r | 141.5 | 132 | 148 | 141 | 145 | 140 | 140 | 144 | 146 | 144 | 155 | 139 |
| 1977 1st quarter r | 138.1 | 126 | 147 | 140 | 146 | 134 | 138 | 140 | 141 | 140 | 149 | 135 |
| 2nd quarter r | 141.7 | 131 | 149 | 144 | 148 | 140 | 143 | 142 | 144 | 142 | 152 | 138 |
| 3rd quarter r | 143.6 | 135 | 149 | 143 | 148 | 143 | 141 | 146 | 148 | 146 | 155 | 143 |
| 4th quarter r | 142.6 | 137 | 146 | 139 | 139 | 143 | 138 | 148 | 151 | 147 | 161 | 142 |
| 1978 1st quarter r | 141.6 | 139 | 138 | 138 | 131 | 142 | 140 | 150 | 154 | 148 | 172 | 141 |
| 2nd quarter r | 146.1 | 142 | 141 | 143 | 133 | 145 | 147 | 156 | 158 | 150 | 185 | 149 |
| 1978 June r | 147.5 | 144 | 143 | 145 | 135 | 146 | 149 | 156 | 159 | 148 | 191 | 149 |
| July r | 147.6 | 144 | 141 | 145 | 136 | 149 | 148 | 158 | 160 | 149 | 191 | 151 |
| August p | 147.4 | 143 | 139 | 145 | 135 | 146 | 150 | 159 | 161 | 151 | 192 | 151 |
| March-May | 144.4 | 141 | 139 | 141 | 131 | 145 | 144 | 155 | 157 | 150 | 180 | 148 |
| June-August | 147.5 | 144 | 141 | 145 | 135 | 147 | 149 | 157 | 160 | 149 | 191 | 150 |
| Percentage change | +2 | +2 | +2 | +3 | +3 | +1½ | +3 | +1½ | +1½ | – | +6 | +1½ |

[1] Indices for other transport equipment SITC (rev 2) 79 are not separately available.

## Table 15 Derivation of the visible trade figures on a balance of payments basis

£ million

| | Exports | | | | Imports | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Recorded | Seasonally adjusted | | | Recorded | Seasonally adjusted | | | |
| | Overseas Trade Statistics basis (fob) | Overseas Trade Statistics basis (fob) | Valuation and coverage adjustments | Balance of payments basis (fob) | Overseas Trade Statistics basis (cif) | Overseas Trade Statistics basis (cif) | Adjustment to bop basis: Valuation adjustments | Adjustment to bop basis: Coverage adjustments | Balance of payments basis (fob) |
| 1976 r | 26 024 | 26 024 | −600 | 25 424 | 31 569 | 31 569 | −1 926 | −630 | 29 013 |
| 1977 r | 33 308 | 33 308 | −1 126 | 32 182 | 36 996 | 36 996 | −2 107 | − 998 | 33 891 |
| 1976 1st quarter r | 5 848 | 5 784 | −130 | 5 654 | 6 846 | 6 763 | −417 | −142 | 6 204 |
| 2nd quarter r | 6 459 | 6 303 | −143 | 6 160 | 7 927 | 7 753 | −478 | −166 | 7 109 |
| 3rd quarter r | 6 309 | 6 617 | −104 | 6 513 | 7 873 | 8 208 | −513 | −50 | 7 645 |
| 4th quarter r | 7 408 | 7 320 | −223 | 7 097 | 8 923 | 8 845 | −518 | −272 | 8 055 |
| 1977 1st quarter r | 7 809 | 7 716 | −204 | 7 512 | 9 217 | 9 169 | −563 | −121 | 8 485 |
| 2nd quarter r | 8 463 | 8 272 | −345 | 7 927 | 9 766 | 9 601 | −576 | −336 | 8 689 |
| 3rd quarter r | 8 486 | 8 829 | −273 | 8 556 | 8 964 | 9 239 | −511 | −203 | 8 525 |
| 4th quarter r | 8 550 | 8 491 | −304 | 8 187 | 9 049 | 8 987 | −457 | −338 | 8 192 |
| 1978 1st quarter r | 8 752 | 8 849 | −439 | 8 410 | 9 791 | 9 870 | −531 | −317 | 9 022 |
| 2nd quarter r | 9 582 | 9 075 | −316 | 8 759 | 10 578 | 10 183 | −543 | −746 | 8 894 |
| 1978 March r | 3 117 | 2 970 | −153 | 2 817 | 3 563 | 3 439 | −187 | −143 | 3 109 |
| April r | 3 104 | 3 048 | −58 | 2 990 | 3 087 | 3 023 | −166 | −59 | 2 798 |
| May r | 3 187 | 3 008 | −154 | 2 854 | 3 719 | 3 634 | −191 | −362 | 3 081 |
| June r | 3 291 | 3 019 | −104 | 2 915 | 3 772 | 3 526 | −186 | −325 | 3 015 |
| July r | 3 063 | 3 178 | −130 | 3 048 | 3 377 | 3 462 | −192 | −90 | 3 180 |
| August p | 2 974 | 3 187 | −165 | 3 022 | 3 237 | 3 401 | −186 | −251 | 2 964 |
| March-May | 9 408 | 9 026 | −365 | 8 661 | 10 369 | 10 096 | −544 | −564 | 8 988 |
| June-August | 9 328 | 9 384 | −399 | 8 985 | 10 386 | 10 389 | −564 | −666 | 9 159 |
| Percentage change | −1 | +4 | | +3½ | – | +3 | | | +2 |

## Table 16 Exports: Value and volume indices excluding the more erratic items

Overseas Trade Statistics basis

Seasonally adjusted

| | Total [1] | | Manufactures: Total [1] | | Machinery and transport equipment [2] | | Other manufactures [3] | |
|---|---|---|---|---|---|---|---|---|
| | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 |
| 1976 | 23 705 | 108.1 | 19 297 | 108 | 9 407 | 101 | 3 549 | 115 |
| 1977 | 29 852 | 116.8 | 23 717 | 115 | 11 245 | 102 | 4 578 | 128 |
| 1977 1st quarter r | 7 008 | 113.9 | 5 555 | 112 | 2 595 | 99 | 1 102 | 129 |
| 2nd quarter r | 7 356 | 116.0 | 5 837 | 114 | 2 792 | 103 | 1 090 | 123 |
| 3rd quarter | 7 889 | 121.5 | 6 249 | 120 | 2 885 | 104 | 1 203 | 132 |
| 4th quarter r | 7 600 | 115.9 | 6 075 | 115 | 2 974 | 104 | 1 184 | 129 |
| 1978 1st quarter | 7 931 | 120.1 | 6 259 | 116 | 2 966 | 102 | 1 275 | 136 |
| 2nd quarter r | 8 053 | 121.3 | 6 322 | 117 | 3 090 | 107 | 1 195 | 125 |
| 1978 June r | 2 703 | 121.2 | 2 118 | 117 | 1 034 | 107 | 383 | 120 |
| July r | 2 860 | 127.8 | 2 228 | 123 | 1 024 | 105 | 468 | 146 |
| August p | 2 908 | 128.2 | 2 269 | 123 | 1 050 | 105 | 477 | 145 |
| March-May | 8 028 | 121.5 | 6 298 | 117 | 3 072 | 106 | 1 196 | 126 |
| June-August | 8 472 | 125.7 | 6 615 | 121 | 3 107 | 106 | 1 328 | 137 |
| Percentage change | +5½ | +3½ | +5 | +3½ | +1 | – | +11 | +8½ |

[1] Excluding ships, North Sea production installations, aircraft and precious stones. [2] Excluding ships, North Sea production installations and aircraft. [3] Excluding precious stones.

## Table 17 Imports: Value and volume indices excluding the more erratic items

Overseas Trade Statistics basis

Seasonally adjusted

| | Total [1] | | Industrial materials: Total [2] | | Other semi-manufactures [2] | | Finished manufactures: Total [2] | | Machinery and transport equipment [2] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 | Value £ million | Volume index 1975 = 100 |
| 1976 r | 29 399 | 106.7 | 10 081 | 114 | 4 909 | 108 | 8 219 | 110 | 5 748 | 109 |
| 1977 r | 33 818 | 107.6 | 11 644 | 114 | 5 666 | 109 | 10 471 | 124 | 7 449 | 126 |
| 1977 1st quarter r | 8 624 | 111.0 | 3 034 | 119 | 1 450 | 112 | 2 518 | 122 | 1 773 | 123 |
| 2nd quarter r | 8 443 | 107.1 | 2 856 | 111 | 1 375 | 104 | 2 534 | 121 | 1 794 | 123 |
| 3rd quarter r | 8 593 | 108.6 | 2 951 | 116 | 1 455 | 112 | 2 691 | 126 | 1 931 | 130 |
| 4th quarter r | 8 158 | 103.8 | 2 803 | 112 | 1 387 | 108 | 2 728 | 126 | 1 951 | 130 |
| 1978 1st quarter r | 9 030 | 115.7 | 3 062 | 126 | 1 564 | 122 | 2 972 | 135 | 2 120 | 136 |
| 2nd quarter r | 8 898 | 111.1 | 3 014 | 122 | 1 532 | 117 | 3 194 | 141 | 2 285 | 144 |
| 1978 June r | 3 008 | 112.5 | 1 034 | 124 | 540 | 122 | 1 124 | 150 | 801 | 153 |
| July r | 3 167 | 117.5 | 1 091 | 131 | 572 | 130 | 1 089 | 144 | 761 | 144 |
| Aug p | 3 074 | 117.1 | 1 022 | 125 | 543 | 123 | 1 052 | 140 | 723 | 137 |
| Mar-May | 8 965 | 112.6 | 3 018 | 123 | 1 501 | 115 | 3 075 | 136 | 2 213 | 139 |
| June-Aug | 9 249 | 115.7 | 3 147 | 127 | 1 655 | 125 | 3 265 | 145 | 2 285 | 145 |
| Percentage change | +3 | +3 | +4½ | +3 | +10 | +8½ | +6 | +6½ | +3 | +4 |

[1] Excluding ships, North Sea production installations, aircraft and precious stones. [2] Excluding ships, North Sea production installations and aircraft. [3] Excluding precious stones.

a balance of payments basis (see note 2).

**By area** (table 11)
In the three months ended August, the value of imports from the developed countries was 1½ per cent higher than in the previous three months. Deliveries from the EEC were unchanged, while imports from the rest of western Europe rose by 8 per cent. Imports from north America fell by 2½ per cent. There was an increase of 1½ per cent in arrivals from the other developed countries. Imports from the developing countries rose by 4 per cent, with a rise of 4 per cent in arrivals from the oil-exporting countries and an increase of 3½ per cent in deliveries from the other developing countries. There was an increase of 9½ per cent in imports from the centrally planned economies, with imports at a slightly low level in the previous three months.

**By commodity** (tables 12, 13, 14 and 17)
In the three months ended August, imports of food, beverages and tobacco fell by 1 per cent in value but were unchanged in volume. Imports of fuels declined by 3 per cent in value and 4½ per cent in volume. Between the three month periods, arrivals of industrial materials in total were up by 4 per cent in value and 2½ per cent in volume. Within this group, imports of basic materials, which have moved erratically during the year, fell by 1½ per cent in value and 4 per cent in volume. Deliveries of chemicals fell by 2 per cent in value and slightly less in volume, but nevertheless remain at a very high level compared with last year. The value of imports of other semi-manufactures rose by 8½ per cent, largely reflecting a volume increase of 6 per cent. Arrivals of finished manufactures were 5 per cent higher in both value and volume. Within finished manufactures, imports of machinery continue at a high level, and increased by 4 per cent in value and 6½ per cent in volume, despite falls in July and August. The value of deliveries of road vehicles rose by 1½ per cent, but fell by 4 per cent in volume, with a sharp increase in price in the latest period. Imports of other finished manufactures (which includes certain consumer goods) were 14 per cent higher in value, almost entirely reflecting a volume increase.

## Notes

**1 Industrial dispute at Southampton Docks.**
There was an industrial dispute at Southampton Docks for eight days from 25 August to 1 September, during which time the port was closed to non-oil trade. Exports in August are likely to have been unaffected as the figures recorded relate, on average, to goods shipped in the period mid-July to mid-August. Imports, however, relate closely to goods shipped during the calendar month and they were probably depressed by the effects of the strike. It is difficult to quantify this effect but it may have been of the order of £40 million. It is expected imports in September will be increased by a similar amount.

**2 Treatment of oil platforms in the May and June import figures.** The import figures for May and June include oil platforms valued on an Overseas Trade Statistics basis at around £240 million and £260 million, respectively. The two platforms had been moved to Norway in July last year for completion. As there was no effective change in ownership, the import figures on a balance of payments basis include only the value of additional foreign goods (amounting to about £25 million in May and £50 million in June) used in completing the platform. This mirrors the treatment adopted for exports in July last year when the value of the platforms was included in the figures on an Overseas Trade Statistics basis but excluded on a balance of payments basis.

During the completion process, expenditure was incurred for services (the value of contracts for finishing the platform other than the supply of major items of equipment) and the estimates of net invisible earnings in recent quarters incorporate appropriate debits.

**3 Revisions.** Figures on a balance of payments basis up to and including 1977 have been revised since the article on the July figures. They are consistent with the annual figures published on Friday 1 September in the 'Pink Book', *United Kingdom Balance of Payments, 1967-77*. Quarterly balance of payments figures were released by the Central Statistical Office on Wednesday 6 September (see *Trade and Industry* 15 September page 62). The main changes to visible trade relate to the balance of payments adjustments:

a Customs uplift: this adjustment was amended in February 1978 in the light of provisional analyses of the results of a survey, relating to March 1977, carried out by Customs Statistical Office into the extent of 'Customs uplift' included in the overseas trade statistics. Now that the full analyses of that survey are available some further changes, which reduce imports, have been made to this adjustment for the years from 1975.

b Port charges: hitherto, a deduction has been made to the import figures for port charges on the assumption that those paid by the importer were included in the cif valuation and those paid by the shipowner were not included in the freight adjustment. It is now evident that charges paid by the importer do not appear in the cif valuation, while those paid by the shipowner are included in the freight costs and are, therefore, removed in the freight adjustment. This revision, which has the effect of increasing imports, has been made back to 1963.

c North Sea installations: The figures from 1975 have been revised in the light of later information from oil companies.

The impact of these and other revisions to the figures of visible trade is to increase the visible deficit by £97 million to £1,709 million in 1977 and by £34 million to £747 million in the first half of 1978, compared with the figures published at the time of the article on the July figures. In addition, revisions have been made to figures of invisibles. All these were reported in the 15 September article. For 1977, the surplus on invisibles has been increased by £221 million to £1,998 million, while the figure for the first half of 1978 is unchanged at £628 million.

Taking visibles and invisibles together, therefore, the current account surplus for 1977 is increased from £165 million to £289 million, while in the first half of this year the deficit is now estimated at £119 million compared with £84 million previously.

The projection of the surplus on invisibles in the second quarter (£120 million a month) used previously for the months April to July has now been replaced by the second quarter out-turn (£111 million a month) and a new projection for the third quarter (£75 million a month).

In addition, a number of changes have been made to the methodology for compiling the index numbers. The changes, some of which affect figures on both a balance of payments and Overseas Trade Statistics basis for all years have a comparatively small impact on the series.

**4 Figures for 1977.** The figures for 1977 on an Overseas Trade Statistics basis included in the tables do not yet incorporate the latest information recently published by Customs and Excise in 'Overseas Trade Statistics of the United Kingdom, 1977'. The differences, however, are comparatively small. At the level of total trade, a balance of payments adjustment has been incorporated to reflect the later 1977 figures.

**5 Standard notes.** The standard notes on definitions and coverage were published in *Trade and Industry* on 17 February.

**Inquiries:** Economics and Statistics Division 5A, Room 234, Department of Industry, Trade and Prices and Consumer Protection, 1 Victoria Street, London SW1H 0ET, tel. 01-215 5703.


## National Income and Expenditure Blue Book 1977

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# Engineering sales and orders up to June

## Sic orders VII, VII and IX

Provisional trend estimates and seasonally adjusted volume index numbers of engineering sales and orders up to June show slight signs that the improvement of recent months may have slackened slightly in both home and export sectors. Although sales were steady during the second quarter, there was a drop in new orders, especially from the volatile export market.

The addition of the seasonally adjusted June data caused a downward movement in the trend estimates of new orders (net of cancellation) which, in total, fell by 2½ per cent over the second quarter. This masks differing movements in the home and export markets. The trend for new home orders shows a levelling of the improvement recorded since the third quarter of 1977, with a slight drop in the second quarter. New export orders fell by 4½ per cent over that period, although that fall is from rather a high level of the trend caused by an exceptionally large inflow of contracts in February. It now appears that apart from a temporary boost arising from that figure, the trend of new orders from abroad has generally been falling since the end of 1976. However, the volatility of this series renders the trend very difficult to assess and predict.

Following a rise from the fourth quarter of 1977, home sales flattened off during the three months to June at an improved level very similar to the intake of new domestic orders. Hence home orders-on-hand remained flat during the second quarter; their level has shown only small variations within a very narrow range for nearly two years now.

### Export sales

The trend of export sales also showed no change during the second quarter, and remained well above the new export order intake. Export order books thus shortened by 1 per cent between March and June, according to the trend estimates. They are at a sufficiently high level to sustain export sales in the short term, but in the longer term prospects are dependent on a sustained improvement in the inflow of orders.

The revised figures published in this table are based on the monthly engineering inquiry relating to June 1978. The response rate of 79 per cent to the inquiry for June is judged sufficient to justify publication of provisional indices for this month. Taking into account late returns now received for March, April and May response rates for these months were 92, 89 and 86 per cent respectively.

**Inquiries:** Department of Industry, Room 618, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG, tel. 01-212 5770.

**Volume index numbers for the combined engineering industries to June**

| | Total | | | Home | | | Export | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1970 average = 100 | 1970 average monthly sales = 100 | | 1970 average = 100 | 1970 average monthly sales = 100 | | 1970 average = 100 | 1970 average monthly sales = 100 | |
| | Orders-on-hand (end of period) | New orders | Sales | Orders-on-hand (end of period) | New orders | Sales | Orders-on-hand (end of period) | New orders | Sales |
| Ratio: orders-on-hand/av. monthly sales in 1970 [1] | 6.7 | | | 6.3 | | | 7.6 | | |
| **Trend estimates** | | | | | | | | | |
| **1976** p | | | | | | | | | |
| January | 95 | 92 | 104 | 89 | 86 | 98 | 111 | 106 | 121 |
| February | 94 | 93 | 105 | 87 | 87 | 98 | 109 | 107 | 122 |
| March | 92 | 94 | 105 | 85 | 88 | 99 | 107 | 108 | 122 |
| April | 91 | 95 | 105 | 84 | 89 | 99 | 106 | 111 | 122 |
| May | 89 | 97 | 106 | 82 | 90 | 100 | 105 | 114 | 121 |
| June | 88 | 99 | 106 | 81 | 92 | 100 | 105 | 120 | 121 |
| July | 88 | 102 | 105 | 80 | 93 | 100 | 106 | 128 | 120 |
| August | 88 | 105 | 105 | 79 | 94 | 99 | 108 | 135 | 120 |
| September | 88 | 107 | 105 | 79 | 95 | 99 | 110 | 139 | 121 |
| October | 89 | 108 | 106 | 78 | 96 | 100 | 112 | 141 | 122 |
| November | 89 | 109 | 106 | 78 | 98 | 100 | 115 | 139 | 123 |
| December | 89 | 109 | 107 | 77 | 99 | 101 | 116 | 137 | 124 |
| **1977** p | | | | | | | | | |
| January | 90 | 109 | 107 | 77 | 99 | 101 | 118 | 135 | 124 |
| February | 90 | 108 | 107 | 77 | 99 | 100 | 119 | 134 | 124 |
| March | 90 | 107 | 107 | 77 | 98 | 100 | 120 | 132 | 125 |
| April | 90 | 106 | 106 | 76 | 97 | 99 | 121 | 131 | 127 |
| May | 90 | 106 | 106 | 76 | 96 | 98 | 121 | 132 | 128 |
| June | 90 | 105 | 106 | 76 | 96 | 97 | 121 | 131 | 130 |
| July | 89 | 105 | 106 | 76 | 96 | 97 | 121 | 129 | 131 |
| August | 89 | 105 | 106 | 75 | 96 | 97 | 120 | 127 | 131 |
| September | 89 | 105 | 105 | 76 | 97 | 96 | 120 | 125 | 129 |
| October | 89 | 106 | 105 | 76 | 99 | 97 | 120 | 125 | 127 |
| November | 90 | 107 | 105 | 76 | 100 | 97 | 119 | 125 | 126 |
| December | 90 | 108 | 106 | 77 | 102 | 99 | 119 | 126 | 126 |
| **1978** p | | | | | | | | | |
| January | 90 | 109 | 107 | 77 | 103 | 100 | 119 | 126 | 127 |
| February | 90 | 110 | 109 | 77 | 103 | 102 | 119 | 127 | 127 |
| March | 90 | 110 | 110 | 77 | 103 | 103 | 119 | 127 | 128 |
| April | 90 | 109 | 109 | 77 | 102 | 103 | 118 | 125 | 128 |
| May | 90 | 108 | 110 | 77 | 103 | 103 | 118 | 124 | 128 |
| June | 90 | 107 | 110 | 77 | 103 | 103 | 118 | 121 | 128 |
| Percentage change [2] March-June 1978 | −0.5 | −2.5 | +0.5 | – | −0.5 | +0.5 | −1.0 | −4.5 | – |
| **Seasonally adjusted** | | | | | | | | | |
| 1970 | 99 | 100 | 100 | 99 | 100 | 100 | 99 | 101 | 100 |
| 1971 | 90 | 94 | 99 | 92 | 96 | 99 | 84 | 90 | 100 |
| 1972 | 96 | 104 | 100 | 100 | 107 | 103 | 89 | 96 | 92 |
| 1973 | 127 | 129 | 111 | 127 | 129 | 114 | 128 | 128 | 103 |
| 1974 | 128 | 115 | 115 | 122 | 110 | 113 | 142 | 128 | 119 |
| 1975 | 97 | 93 | 110 | 90 | 89 | 106 | 112 | 103 | 121 |
| 1976 p | 89 | 101 | 105 | 77 | 92 | 99 | 117 | 124 | 122 |
| 1977 p | 90 | 107 | 106 | 77 | 98 | 98 | 120 | 129 | 127 |
| **1976** p | | | | | | | | | |
| 1st qtr | 92 | 94 | 104 | 86 | 88 | 97 | 108 | 110 | 122 |
| 2nd | 88 | 95 | 106 | 81 | 91 | 101 | 102 | 107 | 122 |
| 3rd | 88 | 106 | 105 | 79 | 95 | 100 | 108 | 135 | 120 |
| 4th | 89 | 109 | 105 | 77 | 95 | 99 | 117 | 144 | 123 |
| **1977** p | | | | | | | | | |
| 1st qtr | 90 | 109 | 108 | 77 | 101 | 101 | 120 | 131 | 124 |
| 2nd | 90 | 106 | 106 | 75 | 95 | 98 | 121 | 133 | 129 |
| 3rd | 89 | 106 | 107 | 75 | 97 | 97 | 120 | 128 | 132 |
| 4th | 90 | 107 | 104 | 77 | 100 | 97 | 120 | 125 | 123 |
| **1978** p | | | | | | | | | |
| 1st qtr | 90 | 110 | 110 | 77 | 104 | 102 | 119 | 127 | 131 |
| 2nd | 90 | 108 | 109 | 77 | 103 | 102 | 117 | 122 | 126 |
| **1976** p | | | | | | | | | |
| July | 88 | 108 | 104 | 80 | 91 | 98 | 107 | 155 | 120 |
| August | 88 | 105 | 106 | 79 | 95 | 100 | 109 | 132 | 120 |
| September | 88 | 103 | 106 | 79 | 97 | 101 | 108 | 119 | 122 |
| October | 89 | 114 | 107 | 78 | 97 | 101 | 112 | 157 | 125 |
| November | 90 | 112 | 104 | 78 | 97 | 98 | 116 | 151 | 123 |
| December | 89 | 101 | 104 | 77 | 92 | 98 | 117 | 125 | 121 |
| **1977** p | | | | | | | | | |
| January | 89 | 112 | 111 | 77 | 104 | 104 | 117 | 131 | 129 |
| February | 90 | 111 | 108 | 77 | 103 | 102 | 118 | 133 | 124 |
| March | 90 | 103 | 104 | 77 | 94 | 98 | 120 | 129 | 120 |
| April | 90 | 110 | 108 | 76 | 99 | 100 | 121 | 139 | 130 |
| May | 90 | 107 | 104 | 76 | 96 | 96 | 122 | 137 | 126 |
| June | 90 | 100 | 107 | 75 | 91 | 98 | 121 | 124 | 131 |
| July | 89 | 105 | 108 | 76 | 100 | 99 | 119 | 118 | 133 |
| August | 90 | 109 | 105 | 76 | 97 | 96 | 121 | 140 | 129 |
| September | 89 | 103 | 107 | 75 | 94 | 97 | 120 | 128 | 134 |
| October | 89 | 107 | 106 | 76 | 100 | 97 | 120 | 128 | 129 |
| November | 89 | 100 | 101 | 76 | 98 | 94 | 118 | 106 | 121 |
| December | 90 | 113 | 105 | 77 | 103 | 99 | 120 | 139 | 121 |
| **1978** p | | | | | | | | | |
| January p | 90 | 106 | 110 | 77 | 105 | 102 | 117 | 107 | 132 |
| February | 91 | 121 | 108 | 78 | 105 | 101 | 122 | 163 | 127 |
| March | 90 | 103 | 113 | 77 | 100 | 105 | 119 | 111 | 134 |
| April | 89 | 103 | 107 | 77 | 99 | 101 | 118 | 114 | 124 |
| May | 90 | 115 | 111 | 77 | 107 | 104 | 119 | 137 | 129 |
| June | 90 | 106 | 109 | 77 | 102 | 102 | 117 | 115 | 127 |
| Jan-March 1978 (av) | 90 | 110 | 110 | 77 | 104 | 102 | 119 | 127 | 131 |
| April-June 1978 (av.) | 90 | 108 | 109 | 77 | 103 | 102 | 117 | 122 | 126 |
| Percentage change [2] | −0.5 | −2.0 | −1.0 | – | −1.0 | – | −1.5 | −4.0 | −3.5 |

**Notes to table**

[1] This ratio shows the number of months work in the order book in the base year at the then average rate of sales. [2] For orders-on-hand, the percentage changes compare the level at the end of the latest period shown with the corresponding level for the earlier period. The percentage changes have been based on the unrounded values and are given to the nearest half percentage point. p Provisional.

# Companies' rate of return on capital employed 1960 to 1977

This article, the fourth [1] in an annual series, gives a number of measures of the rates of return on capital employed by companies. It shows that there was a slight improvement in 1977 in the rate of return when measured in real terms, though the rate remains at an historically low level.

The profitability of all industrial and commercial companies taken together is estimated to have risen slightly in 1977 when measured in 'real' terms, ie on a replacement cost basis after providing for stock appreciation (table 1, column 3 and chart 1, lowest line). The rise is halved if the North Sea exploration and production activities of these companies, which began to generate substantial profits in 1977, are excluded. A somewhat greater rise – from a lower level – is estimated for all manufacturing companies (table 1, column 6 and chart 2, lowest line).

The modest increases estimated for 1977 raise the levels of the 'real' rates of return to about half their levels in the early 1970s or to barely a third of the levels in the 1960s. There was a sharp fall in 'real' rates of return between 1973 and 1974 though a steady long-term decline had been evident before then. Profitability is also subject to cyclical variations, as can be seen from the charts, and it is too early to say whether the rise in 1977 marked the start of a reversal of the long-term decline as opposed to a modest revival from a particularly severe depression in the cycle.

[1] Previous articles on rates of return were published in *Trade and Industry* on 16 September 1977 (pages 519-522), 8 October 1976 (pages 110-112) and 24 October 1975 (pages 244-247). This year's article contains the same range of data as last year's apart from the replacing of the all companies series in table 1 by series for manufacturing companies. The first two articles did not give the series now shown in columns 4 to 21 of table 2, and in table 3. The originating article for this annual series was 'Estimating companies' rate of return on capital employed' published in *Economic Trends*, November 1974.

Chart 1. **Industrial and commercial companies based on national accounts data**
**Ratio of net trading income to net capital stock plus book value of stocks**

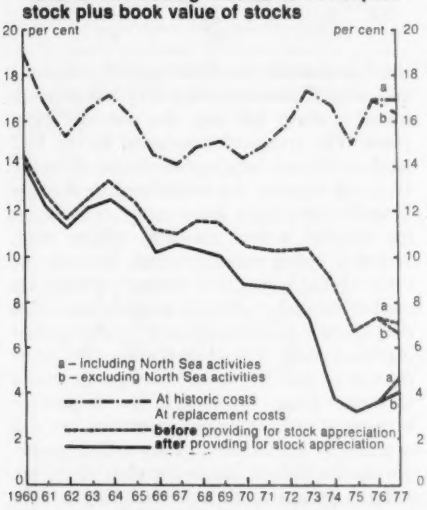

per cent
a – including North Sea activities
b – excluding North Sea activities
At historic costs
At replacement costs
before providing for stock appreciation
after providing for stock appreciation
1960 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77

Chart 2. **Manufacturing companies based on national accounts data**
**Ratio of net trading income to net capital stock plus book value of stocks**

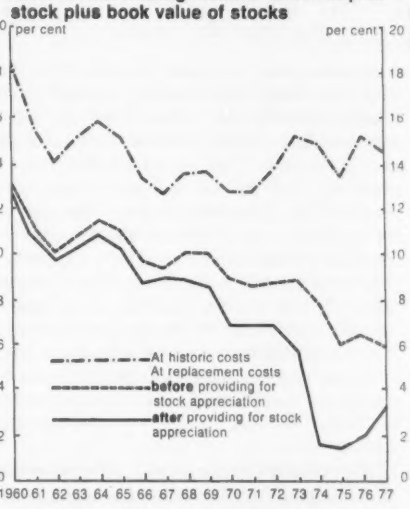

per cent
At historic costs
At replacement costs
before providing for stock appreciation
after providing for stock appreciation
1960 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77

**Table 1 Industrial and commercial companies and manufacturing companies based on national accounts data**

Per cent

| | Industrial and commercial companies | | | Manufacturing companies | | |
|---|---|---|---|---|---|---|
| | | At replacement costs | | | At replacement costs | |
| | At historic costs | Before providing for stock appreciation | After providing for stock appreciation | At historic costs | Before providing for stock appreciation | After providing for stock appreciation |
| | (a) (1) | (b) (2) | (c) (3) | (a) (4) | (b) (5) | (c) (6) |
| 1960 | 19.3 | 14.7 | **14.2** | 18.4 | 13.2 | **12.8** |
| 1961 | 16.8 | 12.7 | **12.3** | 15.6 | 11.2 | **10.7** |
| 1962 | 15.2 | 11.6 | **11.2** | 14.0 | 10.0 | **9.7** |
| 1963 | 16.4 | 12.6 | **12.1** | 15.0 | 10.8 | **10.3** |
| 1964 | 17.1 | 13.3 | **12.5** | 15.8 | 11.5 | **10.8** |
| 1965 | 16.2 | 12.5 | **11.8** | 15.1 | 11.0 | **10.2** |
| 1966 | 14.4 | 11.1 | **10.2** | 13.3 | 9.7 | **8.7** |
| 1967 | 14.0 | 10.9 | **10.5** | 12.6 | 9.3 | **8.9** |
| 1968 | 14.8 | 11.5 | **10.3** | 13.5 | 10.0 | **8.8** |
| 1969 | 15.0 | 11.4 | **10.0** | 13.6 | 10.0 | **8.5** |
| 1970 | 14.3 | 10.4 | **8.7** | 12.7 | 8.9 | **6.8** |
| 1971 | 14.8 | 10.2 | **8.6** | 12.7 | 8.5 | **6.8** |
| 1972 | 15.7 | 10.2 | **8.5** | 13.7 | 8.7 | **6.8** |
| 1973 | 17.2 | 10.3 | **7.1** | 15.1 | 8.9 | **5.7** |
| 1974 | 16.7 | 8.8 | **3.7** | 14.8 | 7.8 | **1.6** |
| 1975 | 14.9 | 6.7 | **3.1** | 13.4 | 6.0 | **1.4** |
| 1976 | 16.8 | 7.2 | **3.5** | 15.1 | 6.4 | **1.9** |
| 1977 | 16.8 | 7.0 | **4.5** | 14.5 | 5.9 | **3.2** |
| Excluding North Sea exploration and production activities | | | | | | |
| 1977 | 16.4 | 6.6 | **4.0** | na | na | **na** |

For definitions of rates of return, see lettered references in table 5. na = not applicable.

## New series

The series for all manufacturing companies, shown in columns 4, 5 and 6 of table 1 and in chart 2, are new and are based on the same national accounts sources as the series for all industrial and commercial companies (table 1, columns 1, 2 and 3 and chart 1). Slightly more caution needs to be used in interpreting the manufacturing series because of the inherent statistical difficulties of producing disaggregated series particularly, in the case of rates of return, of producing figures of profits which relate specifically to the manufacturing activities of companies. Any comparisons between the manufacturing and the industrial and commercial companies series in table 1 should take into account the element of arbitrariness involved in apportioning profits and assets to manufacturing. The series are best interpreted as relating to the activities of manufacturing companies rather than as series relating specifically to the manufacturing activities of companies.

Rates of return for industrial and commercial companies *excluding* their North Sea exploration and production activities are also published for the first time, for 1977 only (table 1, columns 1, 2 and 3). Excluded are the oil and gas activities of the private sector industrial and commercial companies which are classified to minimum list heading 104 of the Standard Industrial Classification, Revised 1968. There has been substantial capital employed in North Sea activities since 1974 and, until 1977, the rate of return on that capital employed was negative or smaller than the overall rate of return for the whole of industrial and commercial companies' activities. In 1977 however the rate of return on their North Sea activities was appreciably higher than for their other activities though, in terms of capital employed at replacement costs, North Sea activities accounted for only 3½ per cent of the total.

## Valuation of assets

Rates of return on capital employed after revaluing fixed assets and allowing for depreciation on a replacement cost basis and after providing for stock appreciation (columns 3 and 6 of table 1 and the corresponding columns in tables 2 and 3) are much more meaningful economically than those calculated at historic or book values. However, because the latter are still widely used, figures on those bases have also been compiled. The differences between the rates of return measured at historic costs (as shown in columns 1 and 4 of table 1 and corresponding columns in tables 2 and 3) and those measured at replacement costs, both in terms of the levels and changes from year to year, reflect the different effects of increases in prices on historic cost and current cost accounts. The gap between the two measures has been noticeably wider over the last five or six years than in the preceding 12 years.

It is worth noting that, in 1977, historic cost and replacement cost rates of return *before* providing for stock appreciation (columns 1, 2, 4 and 5 of table 1 and top and middle lines of charts 1 and 2) were, in the main, somewhat

## Table 2 Large listed companies in manufacturing industry based on Department of Industry analysis of company accounts

Per cent

| Industry group | Total | | | Food, drink and tobacco | | | Chemicals and allied industries | | | Metal manufacture | | | Engineering, shipbuilding, vehicles and other metal goods | | | Textiles, leather, clothing and footwear | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation |
| | (d) (1) | (e) (2) | (f) (3) | (d) (4) | (e) (5) | (f) (6) | (d) (7) | (e) (8) | (f) (9) | (d) (10) | (e) (11) | (f) (12) | (d) (13) | (e) (14) | (f) (15) | (d) (16) | (e) (17) | (f) (18) |
| 1960 | 16.8 | 14.2 | **13.7** | 17.0 | 13.5 | **13.7** | 18.3 | 14.0 | **14.0** | 16.5 | 13.8 | **13.6** | 16.4 | 14.9 | **13.9** | 15.3 | 12.2 | **11.6** |
| 1961 | 14.1 | 11.9 | **11.4** | 16.4 | 13.2 | **12.8** | 13.6 | 10.3 | **10.5** | 12.8 | 10.4 | **10.1** | 13.0 | 11.6 | **10.5** | 14.1 | 11.4 | **11.6** |
| 1962 | 12.6 | 10.5 | **10.3** | 16.2 | 13.0 | **12.7** | 12.7 | 9.5 | **9.8** | 8.7 | 6.6 | **6.6** | 11.7 | 10.3 | **9.6** | 12.2 | 10.0 | **10.0** |
| 1963 | 13.5 | 11.8 | **11.1** | 16.8 | 13.8 | **12.3** | 13.8 | 11.4 | **11.4** | 8.3 | 6.6 | **6.2** | 13.1 | 12.2 | **11.8** | 13.5 | 11.6 | **10.0** |
| 1964 | 14.6 | 12.9 | **12.0** | 16.4 | 13.8 | **13.1** | 15.1 | 12.5 | **12.5** | 10.5 | 8.6 | **7.3** | 14.1 | 13.2 | **11.5** | 14.5 | 12.7 | **13.2** |
| 1965 | 13.9 | 12.0 | **11.0** | 15.7 | 13.0 | **11.9** | 13.9 | 11.6 | **11.6** | 10.3 | 8.3 | **7.3** | 13.4 | 12.0 | **10.1** | 14.5 | 12.6 | **12.0** |
| 1966 | 12.0 | 10.1 | **9.2** | 14.4 | 11.7 | **10.5** | 11.5 | 9.0 | **9.0** | 7.4 | 5.9 | **5.2** | 12.1 | 10.6 | **8.8** | 12.2 | 10.2 | **10.2** |
| 1967 | 12.0 | 10.2 | **9.6** | 14.5 | 12.0 | **11.4** | 11.6 | 9.0 | **8.3** | 9.5 | 7.9 | **7.0** | 10.9 | 9.7 | **8.8** | 11.5 | 9.8 | **10.2** |
| 1968 | 13.4 | 11.4 | **9.9** | 15.1 | 12.1 | **10.3** | 13.6 | 11.5 | **11.2** | 10.5 | 9.1 | **7.9** | 12.5 | 11.0 | **8.9** | 13.9 | 12.0 | **10.2** |
| 1969 | 12.5 | 10.5 | **8.7** | 14.3 | 11.2 | **9.8** | 12.8 | 10.3 | **10.0** | 12.7 | 10.9 | **6.2** | 11.8 | 10.5 | **7.4** | 12.1 | 10.1 | **9.4** |
| 1970 | 11.5 | 9.0 | **6.8** | 14.2 | 10.8 | **9.0** | 10.5 | 7.4 | **5.7** | 9.5 | 7.8 | **5.9** | 10.7 | 8.9 | **5.3** | 10.4 | 8.1 | **7.2** |
| 1971 | 12.5 | 9.3 | **7.2** | 15.1 | 11.1 | **9.3** | 10.3 | 6.6 | **5.2** | 8.8 | 6.6 | **5.9** | 12.3 | 9.7 | **6.6** | 11.9 | 8.8 | **6.9** |
| 1972 | 15.0 | 11.1 | **8.9** | 17.4 | 12.7 | **11.0** | 11.9 | 7.7 | **7.0** | 10.5 | 7.9 | **5.6** | 15.0 | 11.8 | **8.9** | 15.0 | 11.1 | **5.1** |
| 1973 | 17.4 | 12.9 | **7.1** | 19.1 | 13.2 | **8.1** | 16.0 | 11.2 | **5.4** | 15.5 | 12.0 | **2.5** | 16.7 | 13.2 | **7.1** | 18.4 | 13.6 | **6.4** |
| 1974 | 17.0 | 12.0 | **3.5** | 17.1 | 11.1 | **4.0** | 20.4 | 14.1 | **4.7** | 15.3 | 11.1 | **−0.7** | 15.9 | 12.1 | **1.3** | 15.0 | 10.6 | **7.2** |
| 1975 | 15.5 | 8.5 | **2.6** | 18.9 | 10.5 | **4.4** | 16.7 | 8.3 | **4.0** | 11.8 | 5.5 | **0.9** | 14.7 | 8.9 | **0.6** | 9.5 | 4.5 | **0.3** |
| 1976 | 18.8 | 10.4 | **4.3** | 21.2 | 11.3 | **5.5** | 18.7 | 9.4 | **5.8** | 14.2 | 7.0 | **−3.0** | 19.2 | 12.4 | **4.0** | 14.3 | 7.0 | **−1.3** |

For definitions of rates of return, see lettered references in table 5.

lower than in 1976 even though the 'real' rates of return were higher. These opposite movements reflect the considerably lower stock appreciation, or stock profits, element in companies' profits in 1977 compared to 1976.

### Company accounts data

An alternative, but less timely, source of data is provided by the published, annual accounts of companies. An analysis of large companies' accounts is made by the Department of Industry and the results are published in detail annually in Business Monitor M3 Company Finance. From this analysis, and other sources, rates of return are calculated. But they are defined differently to those based on the national accounts, referred to above, particularly for capital employed (see table 5 for the differences in definitions). The coverage of the series also differs from that based on national accounts in two important respects. First, the company accounts series relate to large listed companies only and second, they cover the world-wide activities of those companies or groups whereas the national accounts series, in principle and as far as practicable, are restricted to UK activities alone. Because of these differences in definition and coverage the levels of the series given in table 1 cannot be compared directly to the levels of the series in tables 2 and 3. An analysis of company accounts does, however, enable rates of return to be calculated for the broad industry groups to which large companies can be classified, though the qualifications made below should be borne in mind when interpreting the figures.

The rate of return for large listed companies in manufacturing indicates an appreciable increase in 1976 on the historically low level of 'real' profitability in 1975 (table 2, column 3 and chart 3, bottom line). The increase followed a sharp fall over the previous three years. The companies included in the DoI analysis are not fully representative of manufacturing industry as a whole because they are limited to the larger listed companies operating mainly within the UK whose main activities are in manufacturing. Because the consolidated accounts of company groups are used in the analysis it is not possible to exclude either overseas operations or activities outside manufacturing. The classification of a company to any particular industry group within manufacturing is necessarily imprecise because many companies' activities are not confined to one industry group and in consequence the figures shown for each of the six industry groups within manufacturing in table 2, and for wholesaling and retailing in table 3, cover also activities outside those industries. This is an important point to consider when attempting comparisons between rates of return for different industry groups.

## Table 3 Large listed companies in wholesaling and retailing based on Department of Industry analysis of company accounts

Per cent

| | Large listed companies in wholesaling | | | Large listed companies in retailing | | |
|---|---|---|---|---|---|---|
| | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation |
| | (d) (1) | (e) (2) | (f) (3) | (d) (4) | (e) (5) | (f) (6) |
| 1960 | 13.7 | .. | .. | 23.0 | .. | .. |
| 1961 | 12.9 | .. | .. | 21.2 | .. | .. |
| 1962 | 12.1 | .. | .. | 21.1 | .. | .. |
| 1963 | 13.2 | .. | .. | 21.3 | .. | .. |
| 1964 | 14.6 | 14.2 | **12.6** | 20.8 | 18.8 | **18.1** |
| 1965 | 14.4 | 13.7 | **12.6** | 20.4 | 18.4 | **17.8** |
| 1966 | 12.9 | 12.1 | **11.5** | 19.5 | 17.8 | **17.0** |
| 1967 | 12.8 | 12.0 | **10.7** | 19.8 | 17.7 r | **17.4** r |
| 1968 | 14.0 | 13.1 | **11.1** | 20.1 | 17.8 | **16.3** |
| 1969 | 14.1 | 13.0 | **11.1** | 19.8 | 17.0 | **15.5** |
| 1970 | 15.1 | 13.6 | **11.1** | 20.1 | 16.9 | **14.8** |
| 1971 | 15.5 | 13.6 | **11.2** | 22.2 | 18.5 | **16.9** |
| 1972 | 18.8 | 16.4 | **12.9** | 26.2 | 22.2 | **21.1** |
| 1973 | 21.3 | 18.7 | **9.3** | 24.7 | 20.8 | **18.4** |
| 1974 | 19.8 | 16.6 | **7.3** | 21.4 | 17.1 | **11.4** |
| 1975 | 16.8 | 12.0 | **6.6** | 21.4 | 15.4 | **11.2** |
| 1976 | 19.3 | 12.9 | **4.7** | 21.5 | 13.6 | **10.1** |

For definitions of rates of return, see lettered references in table 5.
.. indicate not available. r=revised.

Chart 3. **Large listed companies in manufacturing. Net trading income to net trading assets**

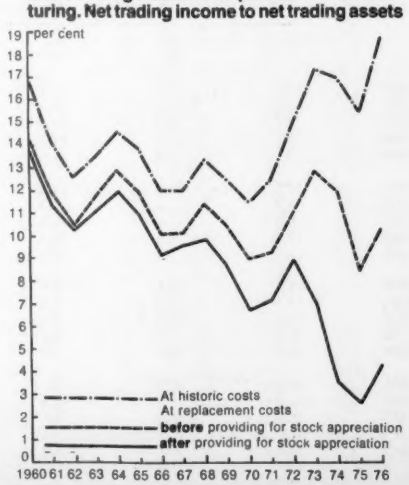
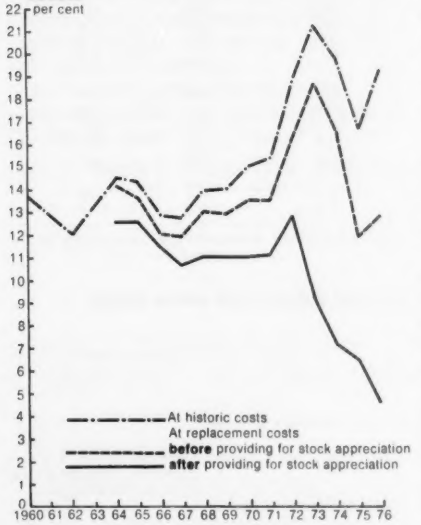


TABLE 2 continued

Per cent

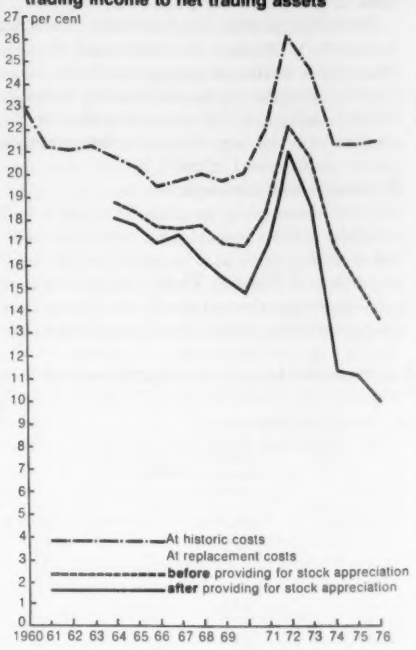
| Other manufacturing industries | | | Industry group |
|---|---|---|---|
| At historic costs | At replacement costs before providing for stock appreciation | At replacement costs after providing for stock appreciation | |
| (d) (19) | (e) (20) | (f) (21) | |
| 17.3 | 15.6 | **14.6** | 1960 |
| 15.8 | 14.2 | **14.1** | 1961 |
| 14.3 | 12.6 | **12.6** | 1962 |
| 14.8 | 13.3 | **13.0** | 1963 |
| 16.6 | 15.2 | **14.4** | 1964 |
| 15.0 | 13.5 | **13.0** | 1965 |
| 13.0 | 11.3 | **10.8** | 1966 |
| 12.8 | 11.2 | **10.9** | 1967 |
| 13.8 | 11.8 | **10.6** | 1968 |
| 11.9 | 9.9 | **8.5** | 1969 |
| 11.4 | 8.9 | **7.1** | 1970 |
| 13.0 | 9.7 | **7.8** | 1971 |
| 16.3 | 12.3 | **10.8** | 1972 |
| 17.9 | 13.3 | **9.1** | 1973 |
| 17.0 | 12.2 | **4.2** | 1974 |
| 15.0 | 7.7 | **3.5** | 1975 |
| 18.4 | 9.4 | **4.6** | 1976 |

Chart 4. **Large listed companies in wholesaling. Net trading income to net trading assets**


per cent
At historic costs
At replacement costs
before providing for stock appreciation
after providing for stock appreciation
1960 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76

It is noticeable that though there was a rise in 'real' profitability overall in 1976 for the large listed companies in manufacturing industry covered by the figures, there were sharp deteriorations in the case of two industry groups – metal manufacture (column 12) and textiles, leather, clothing and footwear (column 18). A comparison of the 1976 figures in columns 11 and 12, and 17 and 18 respectively show clearly the effect of providing for stock appreciation on the measure of profitability. In both cases stock appreciation is greater than trading income net of replacement cost depreciation in 1976, leading to negative returns, and much greater than in any previous year in the series – particularly for textiles. For other industry groups, stock appreciation accounted for a lower proportion of profits in 1976 than in 1975. These results indicate how the sharp devaluation of sterling during 1976 affected companies and industry groups in different ways. For companies in metal manufacture and textiles etc. the principal effect seems to have been on the price of imported raw materials, as reflected in high stock appreciation, whereas for other industry groups and for large listed manufacturing companies as a whole the beneficial effect of devaluation on overseas earnings is likely to have boosted profitability.

Chart 5. **Large listed companies in retailing. Net trading income to net trading assets**


per cent
At historic costs
At replacement costs
before providing for stock appreciation
after providing for stock appreciation
1960 61 62 63 64 65 66 67 68 69 71 72 73 74 75 76

Another noticeable feature of the figures shown in table 2 is that the rates of return vary cyclically for all the industry groups over the period, though in differing degrees; all the 'real' rates of return, ie at replacement cost after providing for stock appreciation (columns 3, 6, 9, 12, 15, 18 and 21), show a long-term decline with the peaks and troughs of successive cycles occurring, almost invariably, at lower levels. A large proportion of profits is accounted for by stock appreciation in 1973, 1974, 1975 and, again, in 1976 (as illustrated by comparing the figures in columns 2 and 3). There are also, less general, instances of the importance of stock appreciation in earlier years, for example for food, drink and tobacco in 1963, 1968 and 1970 to 1972 (columns 5 and 6). There have also been isolated instances of stock 'depreciation' as, for example, for chemicals and allied industries in 1961 and 1962. The six industry groups shown in table 2 reflect the way that large listed companies included in the analysis have been classified, based on the information given in their accounts about the whole range of their activities, and do not therefore represent the balance of activities within the UK manufacturing sector.

In terms of the capital employed at replacement costs in 1960 and 1976, each industry group accounted for the following proportions of the figure for all large listed companies classified to manufacturing industry:

Per cent

| | 1960 | 1976 |
|---|---|---|
| Food, drink and tobacco | 17 | 25 |
| Chemicals and allied industries | 16 | 18 |
| Metal manufacture | 13 | 4 |
| Engineering, etc. | 31 | 28 |
| Textiles, etc. | 10 | 7 |
| Other manufacturing industries | 13 | 18 |

Table 3 and charts 4 and 5 show rates of return for large listed companies in the DoI analysis of company accounts classified to wholesaling and retailing respectively on the same definitions of profits (net trading income) and capital employed (net trading assets) as for manufacturing companies shown in table 2 and chart 3 (see table 5 for definitions). The main features of these figures compared to those for manufacturing companies are that they show a deterioration in 'real' profitability in 1976 (columns 3 and 6) compared with an improvement overall for manufacturing companies (table 2, column 3). Wholesalers' 'real' profitability fell largely because net trading income after providing for stock appreciation fell and the replacement cost value of capital employed rose appreciably. For retailers it was more a case of profits not being able to keep pace with the rise in value of replacement cost capital employed; they barely rose sufficiently to keep pace with capital employed valued at historic cost (see column 4).

Other features of the series in table 3 and charts 4 and 5 *vis-à-vis* those in table 2 (columns 1, 2 and 3) and chart 3 are that they display less pronounced but broadly simultaneous cyclical variations and a less evident long-term decline, but the wider gap between historic cost rates (columns 1 and 4) and replacement cost rates after providing for stock appreciation (columns 3 and 6), ie the gap between the top and bottom lines of charts 4 and 5, in recent years compared to the earlier years is just as evident as for manufacturing (table 2, columns 1 and 3 and top and bottom lines of chart 3).

It is also noticeable that the level of 'real' profitability for large listed companies in retailing has been consistently higher than for large listed companies in wholesaling though the gap narrowed appreciably in 1974 and previously in 1969-70. The figures for wholesaling have been much closer to, though generally higher than, those for manufacturing with some divergence in the late 1960s, though the gap narrowed again in later years. It is important, however, not to attach too much weight to precise differences in levels either between different sectors or for particular years. The coverage of the figures shown in tables 2, 3 and 4 is restricted to large listed companies only. The rates of return must also, to some extent, reflect the differing structures within manufacturing, wholesaling and retailing, for example the need to carry different levels of stocks for different activities and the need for different capital equipment, both in terms of cost and quantity, in terms of overall capital employed. Buildings, which are depreciated over a longer period than other fixed assets, and land are a greater proportion of total fixed assets for retailers than for wholesalers or manufacturers. One consequence of this seems to be that annual depreciation (at historic and replacement costs) accounts for a lower proportion of retailers' profits than it does for wholesalers and considerably less so than it does for manufacturers. Also stock appreciation, or stock profits, accounts for a much higher proportion of manufacturers' and wholesalers' profits than of retailers' profits.

## Book value ratios

Table 4 shows the book value ratios derived

directly from the results of the DoI analysis of large listed companies' published accounts. The results of the analysis are published annually in detail in Business Monitor M3 Company Finance – and, in aggregate, in *Financial Statistics* each month. These book value ratios are prepared largely because they are still widely used and because they reflect the valuations of fixed assets and depreciation which companies enter in their published, annual accounts.

However, for the reasons already mentioned, it is felt that they are far less useful economically than the inflation adjusted rates of return, ie the rates of return on capital employed at replacement costs before and, particularly, after providing for stock appreciation, as given in tables 1, 2 and 3.

Nevertheless they are, currently, the most accessible ratios and it is interesting to note that the net income to net assets ratio for large listed companies in manufacturing industry (table 4, column 2) follows almost exactly the same path as the rate of return at historic costs shown in column 1 of table 2.

**Revisions and omissions**

The estimates given in table 1, columns 1, 2 and 3 have been revised since they were published in last year's article (see below) in table 1, columns 4, 5 and 6. The revisions do not in general change the pattern of the figures over the period covered but serve to emphasise that levels for particular years should be treated with caution. There are also minor corrections to the figures in columns 5 and 6 of table 3 for 1967.

The series for 'all companies' based on national accounts data published in table 1, columns 1, 2 and 3 of last year's article have been omitted but can be made available on request (see inquiry point page 679). The estimates for all companies have also been revised back to 1960.

**Definitions and measures of rates of return**

The detailed definitions of the rates of return in tables 1 to 4 are set out in table 5. There are a number of problems, mainly of definition, in calculating these rates of return; these are dis-

Table 4 **Book value ratios for large listed companies based on Department of Industry analysis of company accounts** Per cent

| | Large listed companies in manufacturing industry | | | | Large listed companies in manufacturing, distribution and certain other services | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Net income after all interest charges/shareholders' interest | | | | Net income after all interest charges/shareholders' interest | |
| | Gross income/ gross assets | Net income/ net assets | Before tax | After tax | Gross income/ gross assets | Net income/ net assets | Before tax | After tax |
| | (g) (1) | (h) (2) | (i) (3) | (j) (4) | (g) (5) | (h) (6) | (i) (7) | (j) (8) |
| 1960 | 15.7 | 15.7 | 18.3 | 10.0 | 15.9 | 16.0 | 18.5 | 10.2 |
| 1961 | 13.9 | 13.4 | 15.5 | 8.4 | 14.3 | 13.9 | 16.1 | 8.7 |
| 1962 | 12.8 | 12.1 | 13.8 | 7.5 | 13.3 | 12.7 | 14.6 | 7.9 |
| 1963 | 13.4 | 12.9 | 14.8 | 8.0 | 13.9 | 13.5 | 15.5 | 8.5 |
| 1964 | 14.4 | 14.2 | 16.6 | 9.2 | 14.9 | 14.7 | 17.2 | 9.5 |
| 1965 | 13.8 | 13.4 | 15.6 | 10.1 | 14.2 | 13.9 | 16.1 | 10.4 |
| 1966 | 12.5 | 11.8 | 13.7 | 6.4 | 13.0 | 12.3 | 14.3 | 6.7 |
| 1967 | 12.5 | 11.9 | 14.1 | 7.4 | 13.0 | 12.4 | 14.8 | 7.6 |
| 1968 | 13.9 | 13.7 | 16.7 | 8.7 | 14.4 | 14.2 | 17.2 | 8.8 |
| 1969 | 13.6 | 13.3 | 16.0 | 8.1 | 14.3 | 14.1 | 16.4 | 8.4 |
| 1970 | 12.6 | 12.1 | 14.5 | 7.8 | 13.5 | 13.1 | 15.8 | 8.4 |
| 1971 | 13.4 | 13.1 | 15.7 | 9.1 | 14.3 | 14.0 | 17.0 | 9.6 |
| 1972 | 15.1 | 15.4 | 18.9 | 12.1 | 16.1 | 16.4 | 20.4 | 13.1 |
| 1973 | 16.8 | 17.7 | 21.5 | 13.8 | 17.4 | 18.0 | 22.2 | 14.1 |
| 1974 | 16.0 | 16.5 | 20.0 | 13.7 | 16.2 | 16.3 | 19.8 | 13.4 |
| 1975 | 14.7 | 14.6 | 17.0 | 11.6 | 15.2 | 14.8 | 17.3 | 11.8 |
| 1976 | 17.6 | 18.5 | 21.7 | 15.7 | 17.9 | 18.3 | 21.5 | 15.6 |

Based on book values of depreciation and assets as recorded in company accounts; these have not been adjusted to take account of the treatment of investment grants and building grants. For definitions of ratios, see lettered references in table 5.

Table 5 **Definition of historic and replacement costs rates of return given in tables 1, 2 and 3 and book value ratios given in table 4**

| Profits | Capital employed | Sources of data |
|---|---|---|
| **Table 1 Based on national accounts data** | | |
| *before tax* | | |
| (a) Net trading income at historic costs (gross trading profits *plus* rent received by these companies *less* capital consumption at historic costs). | Net capital stock (fixed assets other than land) of these companies at historic costs *plus* book value of stocks. | National Income and Expenditure 'Blue Book' and Central Statistical Office |
| (b) Net trading income at replacement costs before providing for stock appreciation (gross trading profit *plus* rent received by these companies *less* capital consumption at replacement costs). | Net capital stock (fixed assets other than land) of these companies at replacement costs *plus* book value of stocks. | |
| (c) Net trading income at replacement costs after providing for stock appreciation (gross trading profits *plus* rent received by these companies *less* capital consumption at replacement costs and *less* stock appreciation). | Net capital stock (fixed assets other than land) of these companies at replacement costs *plus* book value of stocks. | |
| **Tables 2 and 3 Based on company accounts data from DoI analysis of company accounts** | | |
| *before tax* | | |
| (d) Net trading income before interest at historic costs (gross trading income *less* depreciation at historic costs). | Net trading assets at historic costs (tangible net fixed assets at historic costs *plus* current assets other than investments *less* current liabilities other than bank overdrafts and loans, dividend provisions and corporation tax payable in next fiscal year). | Monopolies and Mergers Commission Accountancy Staff |
| (e) Net trading income before interest at replacement costs (gross trading income *less* depreciation at replacement costs). | Net trading assets at replacement costs (tangible net fixed assets at replacement costs *plus* current assets other than investments *less* current liabilities other than bank overdrafts and loans, dividend provisions and corporation tax payable in next fiscal year). | |
| (f) Net trading income before interest at replacement costs *less* stock appreciation | Net trading assets at replacement costs. | |
| **Table 4 From DoI analysis of company accounts** | | |
| *before tax* | | |
| (g) Gross income *less* short-term interest. | Gross assets at book values (fixed and intangible assets before deduction of accumulated depreciation *plus* current assets and investments *less* current liabilities including bank overdrafts and loans, dividend provisions and, after 1967 corporation tax payable in next fiscal year). | Business Monitor M3 Company Finance (annual) and *Financial Statistics* (monthly) |
| (h) Net income (gross income *less* short-term interest and depreciation at book values). | Gross assets at book values as in (g) *less* accumulated depreciation. | |
| (i) Net income *less* all interest payments (gross income *less* all interest payments and depreciation at book values). | Shareholders' interest (ordinary and preference shares *plus* capital, revenue and deferred tax reserves *plus* dividends outstanding at the end of the year *plus* minority interests and *less* goodwill and intangible assets). | |
| *after tax* | | |
| (j) Net income *less* all interest payments, *less* company tax charge other than deferred tax, *less* income tax payable on ordinary and preference dividends, *plus* those investment grants separately distinguished in company accounts. | Shareholders' interest. | |

cussed fully in the article 'Estimating companies' rate of return on capital employed' in the November 1974 issue of *Economic Trends*. This note and the *Economic Trends* article deal only with 'accounting' rates of return. These measure the return achieved in a particular year on total capital employed on all projects then in existence, including both those projects started at various times in the past and those starting during the current year. The note does not cover 'internal' rates of return which measure the return on an individual project based on the net receipts from the project over its whole life.

There are a number of different measures of rates of return, depending upon the definition of profits and capital employed, to meet different purposes. For economic analysis it is best to relate trading income to trading assets, and to exclude non-trading activities. For questions relating to the total availability and use of funds the more appropriate rate is of total income to total capital employed. It is desirable to relate income to capital employed including short-term loans, rather than to only long-term capital, because much short-term capital, eg bank overdrafts, is renewed each year. There are advantages in using rates based on assets both gross and net of depreciation but for companies in aggregate the results generally do not differ sufficiently to outweigh the convenience of using only net assets, since such net rates are widely used and accepted.

For a measure of the return on risk capital the appropriate rate is profits after depreciation and interest payments but before tax to the shareholders' interest. The simplest way of measuring post-tax rates of return is to express post-tax profits as a ratio of the shareholders' interest, but these post-tax rates involve more approximations than pre-tax rates and added caution is needed in interpreting them, particularly in the short run. Longer-term comparisons of post-tax rates of return are probably better and less subject to irregular variation.

**Inquiries:** Home Financial Statistics (Room 241c), Economics and Statistics Division 6a, Departments of Industry, Trade and Prices and Consumer Protection, 1 Victoria Street, London SW1H 0ET, tel. 01-215 3132.

# Retailing inquiry for 1976: final results

This article presents some final figures from the retailing inquiry for 1976 (for summary provisional results see *Trade and Industry*, 3 February) in advance of the full results which are being prepared for publication as a Business Monitor. A further article planned for around the end of the year, will give the provisional results of the 1977 inquiry.

The February article stated that the 1976 inquiry was the first in the new series of annual inquiries into retailing, introduced to replace the periodic censuses of distribution which had been taken between 1950 and 1971. The 1976 inquiry was taken as a sample from the central register of businesses compiled by the Business Statistics Office from information on the name and address, trade classification, and turnover of traders registed for value added tax (VAT). It covered those businesses whose VAT trade codes showed them to be registered for VAT purposes to the retail trade headings in trade group 24 of the VAT Trade Classification (other than VAT trade code 8228 covering opticians) and also those businesses with other VAT trade codes which were known, on the basis of previous inquiries, to undertake a significant amount of retailing activity.

The availability of a VAT-based register for the inquiry made it possible to design a stratified random sample of about 30 000 businesses, slightly more than one-tenth of the total number of retail businesses.

The summary final results presented in tables 1 and 2 below are based on returns from just under 23 000 businesses, around 75 per cent of the total number of forms despatched (although this represents in terms of retailing turnover, a response of about 90 per cent).

## Results

Table 1 shows estimates of the numbers of retail businesses, outlets and persons engaged and figures of turnover, stocks, gross margins, and net capital expenditure for each detailed kind of business (kob).

These kinds of business constitute the activity classification to be adopted for the final results, with the 26 detailed kobs shown in the table forming seven group kobs. Retailing statistics are conventionally classified by kob, which is a classification of businesses accord-

**Table 1 Retail trades in 1976: analysis by detailed kind of business**

Great Britain

| | | | | | Stocks [2] | | | Gross margin | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Kind of business | Businesses | Outlets | Persons engaged | Total turnover [1] | Beginning of year | End of year | Total turnover dividend by end year stocks [2] | Amount | As a % of total turnover [2] | Capital expenditure (net) [2] |
| | Number | Number | Thousands | £ million | £ million | £ million | Ratio | £ million | % | £ million |
| Total retail trade | 262 360 | 393 694 | 2 528 | 34 429 | 3 341 | 4 045 | 8.1 | 8 988 | 27.5 | 745 |
| Grocers and general food retailers | 56 021 | 69 717 | 431 | 6 899 | 420 | 526 | 12.8 | 1 147 | 17.0 | 112 |
| Grocers | 55 828 | 61 233 | 223 | 2 827 | 161 | 190 | 14.4 | 418 | 15.2 | 28 |
| Large general food retailers | 193 | 8 483 | 208 | 4 072 | 259 | 336 | 11.8 | 729 | 18.3 | 85 |
| Other food retailers | 47 947 | 73 824 | 338 | 4 499 | 134 | 174 | 25.3 | 998 | 22.6 | 63 |
| Dairymen | 6 251 | 7 371 | 55 | 872 | 7 | 8 | 103.4 | 218 | 25.1 | 15 |
| Butchers | 15 822 | 22 954 | 91 | 1 430 | 21 | 26 | 54.5 | 286 | 20.0 | 17 |
| Fishmongers, poulterers | 2 645 | 3 257 | 11 | 119 | 1 | 2 | 77.8 | 27 | 22.4 | 2 |
| Greengrocers, fruiterers (including those selling fish) | 12 372 | 15 292 | 60 | 572 | 9 | 10 | 57.2 | 120 | 21.1 | 7 |
| Bread and flour confectioners | 7 362 | 13 884 | 77 | 454 | 10 | 11 | 39.5 | 195 | 43.2 | 15 |
| Off-licences | 3 493 | 11 065 | 45 | 1 053 | 87 | 116 | 8.4 | 152 | 15.6 | 7 |
| Confectioners, tobacconists, newsagents | 38 949 | 48 521 | 262 | 2 673 | 182 | 216 | 11.6 | 422 | 16.8 | 25 |
| Clothing, footwear and textile retailers | 39 355 | 72 786 | 327 | 3 468 | 588 | 671 | 4.8 | 1 240 | 38.4 | 57 |
| Footwear retailers | 4 353 | 12 971 | 71 | 584 | 127 | 150 | 4.3 | 273 | 42.7 | 12 |
| Men's and boys' wear outfitters | 5 715 | 13 554 | 66 | 877 | 169 | 186 | 4.4 | 321 | 39.4 | 16 |
| Women's and girls' wear, household textiles and general clothing retailers | 29 286 | 46 260 | 190 | 1 907 | 292 | 336 | 5.3 | 646 | 36.4 | 29 |
| Household goods retailers | 39 530 | 60 892 | 315 | 4 816 | 694 | 828 | 5.3 | 1 775 | 40.1 | 206 |
| Furniture retailers | 13 952 | 19 558 | 99 | 1 649 | 269 | 316 | 4.9 | 523 | 34.0 | 27 |
| Radio and electrical goods retailers (ex hire) | 9 012 | 14 558 | 82 | 1 375 | 202 | 252 | 4.9 | 388 | 31.6 | 35 |
| Radio and tv hire businesses | 1 355 | 5 018 | 50 | 620 | 35 | 43 | 13.2 | 472 | 83.7 | 124 |
| Hardware, china, wallpaper and paint retailers | 15 210 | 21 756 | 84 | 1 172 | 188 | 218 | 5.0 | 392 | 35.9 | 20 |
| Other non-food retailers | 38 295 | 50 809 | 247 | 2 860 | 486 | 579 | 4.6 | 881 | 32.8 | 49 |
| Chemists and photographic goods retailers | 9 398 | 12 992 | 75 | 975 | 128 | 154 | 6.0 | 247 | 26.7 | 12 |
| Cycle and perambulator retailers | 1 542 | 1 745 | 5 | 59 | 11 | 13 | 4.2 | 16 | 30.0 | 1 |
| Booksellers and stationers | 3 832 | 5 292 | 42 | 484 | 63 | 79 | 5.9 | 168 | 36.1 | 10 |
| Jewellers and retailers of leather and sports goods | 14 642 | 20 119 | 86 | 995 | 241 | 285 | 3.2 | 340 | 37.4 | 21 |
| Non-food retailers (not elsewhere specified) | 8 879 | 10 658 | 40 | 346 | 42 | 48 | 6.7 | 109 | 33.6 | 5 |
| Mixed retail businesses | 2 259 | 17 141 | 608 | 9 214 | 837 | 1 050 | 8.3 | 2 526 | 29.0 | 231 |
| Large mixed businesses with food sales | 211 | 13 102 | 454 | 6 766 | 573 | 718 | 9.0 | 1 668 | 25.8 | 192 |
| Large mixed businesses without food sales | 159 | 1 679 | 83 | 1 052 | 117 | 153 | 6.4 | 333 | 34.1 | 33 |
| Other mixed businesses without food sales | 16 | 16 | 0 | 5 | 1 | 1 | 4.4 | 2 | 34.8 | 0 |
| General mail order houses | 14 | 17 | 50 | 1 230 | 127 | 159 | 7.2 | 455 | 39.9 | 4 |
| Credit traders calling on customers | 1 858 | 2 325 | 20 | 161 | 19 | 19 | 7.9 | 69 | 46.0 | 2 |

[1] Including VAT. [2] Excluding VAT. NB Totals may not be the exact sums of component items due to rounding.

ing to the type of commodity sold or the type of service offered. The retailing kobs are an extension of minimum list headings 820 and 821, and their sub-divisions, in the Standard Industrial Classification, Revised 1968, which defines retail trading for official statistical purposes.

The classification used for the annual inquiries into retailing differs in some respects from that adopted for the earlier censuses of distribution. The previous system had two drawbacks:

☐ Some kobs produced low specialisation ratios (defined as the ratio of receipts from sales of commodities characterising the kob to total retail receipts): in other words, the figures produced for these kobs were not as meaningful as they might have been

☐ With the infrequent censuses and the kob classification then used, data were often lacking on general developments such as the move away from older specialisations towards larger more diversified retail businesses.

In the light of the many consultations which have been held, the opportunity provided by the introduction of the retailing inquiries has been taken to update the list of kobs which is used to classify returns for analytical and publication purposes. The main change concerns a revised treatment of the larger mixed businesses.

Those businesses which mainly sell a wide range of food items are classified to a new heading of general food retailers within group kob 1, while large diversified businesses which are not sufficiently specialised to be assigned to any one of the group kobs 1 to 6, are classified under new group kob 7, mixed retail businesses. Within this group kob, such mixed businesses are further analysed into those with food sales, and those without significant sales of food. More detail of the classification scheme adopted in the inquiry will be given in the Business Monitor.

Table 2 shows, for each of the variables included in table 1, an analysis of retail trade by group kind of business and by form of organisation. The totals for each group kob are broken down between single-shop retailers, small multiple retailers with two to nine outlets, and large multiple retailers with 10 or more outlets. Co-operative societies are included in this part of the table according to their individual form of organisation but the estimated total trade of co-operative societies is also shown separately.

## Sampling and estimation

The inquiry was taken as a sample selected from a population of businesses stratified by VAT trade code and turnover into more than 600 cells. All large retailers were included in the sample with a selection of smaller retailers. While the overall fraction of businesses approached was around one-tenth, sampling fractions varied from one in one for the large retailers, or in cells with few traders, to about one in 100 for the smaller traders and where the numbers in the cells were large.

Grossing factors, used to produce population estimates from the respondent members of the sample, were calculated cell-by-cell for persons engaged and the monetary variables (ie those with answers in money terms) other than capital expenditure, as the ratio of the total of VAT turnovers recorded for the units in the cell to the VAT turnover for the cell respondents. The factors for the other variables were the ratio of the total number of businesses in each cell to the numbers of respondent businesses.

The estimates developed from a sample would almost certainly differ from the results of a census covering all businesses in the population but otherwise conducted under the same conditions as the sample. The particular sample selected for the inquiry is itself one of a large number of similar samples that, by chance, might have been selected under the same sampling specification. Measures of the variation of all possible sample estimates around the comparable complete coverage values will be given in the Business Monitor.

In addition to the errors due to sampling, the estimates are subject to various response and operational errors of the type that would also occur in a census.

**Inquiries:** Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG, tel. Newport (0663) 56111, ext. 2000.

## Notes and definitions

**Accuracy**
The results are subject to both sampling and non-sampling errors. They should not, therefore, be regarded as necessarily accurate to the last digit shown.

**Area covered**
The inquiry covered Great Britain. Northern Ireland, the Isle of Man and the Channel Islands were excluded.

**Form of organisation**
The terms co-operative societies, single outlet retailers, small multiple retailers and large multiple retailers are used in table 2 to denote respectively retail societies of the co-operative movement and retail businesses with one, two to nine or 10 or more retail outlets.

**Period covered**
All businesses were asked to make returns in respect of the calendar year 1976, but if this was not their year of account a

**Table 2 Retail trades in 1976: analysis by form of organisation and group kind of business** Great Britain

| | | | | | Stocks [2] | | | Gross margin | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Form of organisation and kind of business [3] | Businesses | Outlets | Persons engaged | Total turnover [1] | Beginning of year | End of year | Total turnover divided by end year stocks [2] | Amount | As a % of total turnover [2] | Capital expenditure (net) [2] |
| | Number | Number | Thousands | £ million | £ million | £ million | Ratio | £ million | % | £ million |
| Total retail trade | 262 360 | 393 694 | 2 528 | 34 429 | 3 341 | 4 045 | 8.1 | 8 988 | 27.5 | 745 |
| Single outlet retailers | 231 258 | 231 258 | 1 001 | 11 683 | 1 194 | 1 392 | 8.0 | 2 785 | 25.1 | 141 |
| Small multiple retailers | 29 653 | 79 533 | 400 | 5 117 | 617 | 738 | 6.6 | 1 389 | 28.7 | 85 |
| Large multiple retailers | 1 448 | 82 902 | 1 126 | 17 629 | 1 530 | 1 915 | 8.8 | 4 814 | 28.7 | 518 |
| Of which co-operative societies accounted for | 236 | 11 117 | 155 | 2 414 | 179 | 207 | 11.3 | 527 | 22.6 | 53 |
| Grocers and general food retailers | 56 021 | 69 717 | 431 | 6 899 | 420 | 526 | 12.8 | 1 147 | 17.0 | 112 |
| Single outlet retailers | 52 782 | 52 782 | 188 | 2 332 | 129 | 151 | 15.0 | 335 | 14.8 | 21 |
| Small multiple retailers | 3 101 | 8 160 | 38 | 589 | 36 | 45 | 12.7 | 94 | 16.3 | 8 |
| Large multiple retailers | 138 | 8 775 | 204 | 3 978 | 255 | 330 | 11.8 | 718 | 18.4 | 84 |
| Other food retailers | 47 947 | 73 824 | 338 | 4 499 | 134 | 174 | 25.3 | 998 | 22.6 | 63 |
| Single outlet retailers | 42 038 | 42 038 | 163 | 1 910 | 33 | 41 | 46.2 | 409 | 21.6 | 27 |
| Small multiple retailers | 5 590 | 15 320 | 67 | 809 | 20 | 25 | 31.9 | 191 | 23.9 | 14 |
| Large multiple retailers | 318 | 16 466 | 109 | 1 780 | 80 | 108 | 15.9 | 398 | 23.1 | 22 |
| Confectioners, tobacconists, newsagents | 38 949 | 48 521 | 262 | 2 673 | 182 | 216 | 11.6 | 422 | 16.8 | 25 |
| Single outlet retailers | 36 665 | 36 665 | 182 | 1 737 | 113 | 134 | 12.2 | 253 | 15.5 | 15 |
| Small multiple retailers | 2 183 | 5 418 | 35 | 321 | 25 | 29 | 10.6 | 55 | 18.0 | 3 |
| Large multiple retailers | 100 | 6 437 | 45 | 615 | 44 | 54 | 10.7 | 115 | 19.8 | 7 |
| Clothing, footwear and textile retailers | 39 355 | 72 786 | 327 | 3 468 | 588 | 671 | 4.8 | 1 240 | 38.4 | 57 |
| Single outlet retailers | 30 813 | 30 813 | 115 | 1 017 | 210 | 239 | 4.0 | 332 | 35.0 | 10 |
| Small multiple retailers | 8 170 | 22 614 | 76 | 793 | 142 | 162 | 4.6 | 262 | 35.5 | 10 |
| Large multiple retailers | 371 | 19 358 | 136 | 1 657 | 236 | 270 | 5.7 | 646 | 41.8 | 38 |
| Household goods retailers | 39 530 | 60 892 | 315 | 4 816 | 694 | 828 | 5.3 | 1 775 | 40.1 | 206 |
| Single outlet retailers | 33 851 | 33 851 | 137 | 1 711 | 307 | 349 | 4.5 | 501 | 31.7 | 36 |
| Small multiple retailers | 5 494 | 14 449 | 65 | 988 | 170 | 204 | 4.4 | 299 | 32.9 | 26 |
| Large multiple retailers | 184 | 12 590 | 113 | 2 117 | 216 | 275 | 7.0 | 975 | 50.4 | 145 |
| Other non-food retailers | 38 295 | 50 809 | 247 | 2 860 | 486 | 579 | 4.6 | 881 | 32.8 | 49 |
| Single outlet retailers | 33 162 | 33 162 | 139 | 1 525 | 254 | 298 | 4.8 | 445 | 31.2 | 20 |
| Small multiple retailers | 4 998 | 13 090 | 63 | 770 | 134 | 160 | 4.5 | 234 | 32.2 | 12 |
| Large multiple retailers | 134 | 4 557 | 45 | 565 | 97 | 120 | 4.4 | 202 | 38.2 | 17 |
| Mixed retail businesses | 2 259 | 17 141 | 608 | 9 214 | 837 | 1 050 | 8.3 | 2 526 | 29.0 | 231 |
| Single outlet retailers | 1 944 | 1 944 | 77 | 1 449 | 147 | 180 | 7.5 | 511 | 37.9 | 12 |
| Small multiple retailers | 115 | 479 | 57 | 848 | 89 | 113 | 7.0 | 254 | 32.1 | 13 |
| Large multiple retailers | 199 | 14 717 | 474 | 6 916 | 601 | 758 | 8.7 | 1 760 | 26.7 | 205 |

[1] Including VAT. [2] Excluding VAT. [3] Small multiple retailers are defined as those with two to nine outlets; large multiple retailers have 10 or more outlets. NB Totals may not be the exact sums of component items due to rounding.

return for a business year ending on any date from 6 April 1976 to 5 April 1977 was accepted.

**Units covered**
The results cover only those units registered for VAT with registered turnovers above the VAT threshold (£5,000 in 1976).

**Number of businesses**
The estimated number of VAT reporting units with registered turnovers over £5,000 mainly engaged in retailing in 1976 together with other reporting units known to engage in retailing as a subsidiary activity.

**Number of outlets**
This represents the estimated number of retail outlets belonging to retail businesses. In addition to retail shops it includes mobile shops, stalls, credit traders calling on customers, retail outlets on the premises of another trader (a 'shop-within-shop'); in short, any separate place of business whose trading is within scope of the inquiry. It also includes branches outside Great Britain and non-retail branches if businesses were unable to restrict their returns to the area and activity covered by the inquiry.

Mail-order activity was treated as an outlet in its own right, even if it was conducted from the same premises as normal shop trading.

**Persons engaged**
Includes all persons who worked in the business in the week ended 30 October 1976 or (if the business was closed in that week) in the nearest normal trading week, including those temporarily absent through sickness or holiday. All working proprietors who worked in the business are included, whether or not they received a definite wage, as well as paid employees. Part-time workers are included, however short the period for which they worked during the week.

**Turnover**
This means the total retail trading receipts, inclusive of value added tax, during the year; it includes receipts from the sale of goods and from repairs, rentals and other services provided. It also includes receipts from catering activities when these are carried on in conjunction with retailing and separate catering accounts are not available. Sales against checks of check trading companies are included at their face value. Hire purchase and other credit transactions originated during the year are included at their cost value plus any charge for credit provided by the retailer. The total includes the value of sales by mail order and the value of other sales and charges for services not conducted through shops or other retail outlets.

**Stocks**
These include stocks of goods on hand for sale or processing valued exclusive of VAT, as for balance sheet purposes. Businesses were asked to ensure that the beginning and end-year valuation of stocks was on the same basis.

**Turnover/stock ratio**
The ratio of turnover (exclusive of VAT) to end-year stocks. This gives a guide as to how often, on average, stocks were 'turned-over' in the course of the year.

**Gross margin**
This is the difference between turnover and purchases less stocks at the beginning of the year plus stocks at the end of the year, all figures exclusive of VAT. It represents the fund out of which comes the expenses of running the business and any trading surplus.

**Net capital expenditure**
Capital expenditure includes all expenditure charged to capital account during the year, such as new building work, the cost of vehicles and other items of capital equipment, including the total value of those bought on hire purchase. Net capital expenditure is the cost of new building work plus the difference between acquisitions and disposals of vehicles, plant and machinery and other capital equipment. It does not include acquisitions and disposals of land and existing buildings.

**Comparison with 1971 census of distribution**
There are a number of reasons why the results presented in the article cannot be compared directly with the 1971 census of distribution (COD) figures. First, the reporting unit for the 1976 inquiry, based on the VAT unit, may not correspond with the 'organisation' from which information was previously sought, and which could contain several VAT units.

A second reason is the difference between the registers used. For 1971 existing or specially constructed lists of traders were used in conjunction with a register of retailers compiled by the field enumerators engaged in taking the census of population in April 1971. As already stated, the 1976 inquiry was taken as a sample inquiry from the list of businesses registered for VAT. In view of its statutory basis, the list is regarded as comprehensive for businesses within its scope. However, there may be around 20 000 small businesses below the VAT threshold and not registered for VAT. In addition there are a number of businesses registered for VAT, but with registered turnovers below the VAT threshold level, that are not included in the 1976 inquiry results. Such small retailers would, in general, have been included in the COD figures. On the other hand, there will have been some businesses that failed to be enumerated as such for the census, but which are covered under VAT. An example of this may be the small dairy retailer operating from farms or private premises.

Finally, as outlined above, the kind of business classification has been revised since the 1971 COD. Summary census figures, on the new classification, will be given in the Business Monitor.

# Price Commission index in August

The rise in the Price Commission index over the six months to August was 4.4 per cent expressed as an annual rate. The corresponding figure for July was 5.8 per cent.

This figure is provisional as minor changes in the requirements for prenotifications introduced on 1 August have not been fully reflected in the calculation of the index at this stage. Nevertheless, the index is pointing, if the normal relationship remains valid, to a falling trend in the underlying rate of inflation. This trend should show up in the six-month RPI in the next few months.

The table compares movements in the commission index with other official prices over six months at annual rates.
**Inquiries:** 01-720 2188.

**Percentage changes over six-month periods in Price Commission index, retail price index and wholesale price index [1]: annualised rates**

| Six months to | Price Commission index | Retail price index [2] | Wholesale price index [1 3] |
|---|---|---|---|
| **1976** | | | |
| July | 12.6 | 12.9 | 15.6 |
| August | 12.4 | 13.2 | 16.8 |
| September | 13.5 | 14.5 | 18.2 |
| October | 16.9 | 14.4 | 18.5 |
| November | 19.3 | 14.2 | 20.1 |
| December | 18.2 | 15.2 | 20.3 |
| **1977** | | | |
| January | 18.2 | 18.0 | 25.2 |
| February | 19.0 | 18.4 | 24.5 |
| March | 20.8 | 18.7 | 23.4 |
| April | 17.4 | 19.7 | 25.2 |
| May | 16.1 | 20.0 | 23.7 |
| June | 15.0 | 19.6 | 24.0 |
| July | 14.3 | 15.6 | 18.6 |
| August | 11.5 | 14.9 | 16.7 |
| September | 7.8 | 14.1 | 15.6 |
| October | 7.3 | 9.9 | 11.7 |
| November | 5.8 | 8.7 | 8.6 |
| December | 6.0 | 7.4 | 7.1 |
| **1978** | | | |
| January | 5.9 | 7.2 | 7.2 |
| February | 7.2 | 7.2 | 7.7 |
| March | 7.4 | 6.8 | 7.9 |
| April | 7.2 | 8.4 | 7.9 |
| May | 6.8 | 8.6 | 8.7 |
| June | 6.0 | 8.9 | 8.9 |
| July | 5.8 | 9.1 | 7.6 |
| August | 4.4 | .. | 7.2 |

[1] The wholesale price index changes given here are based on the new figures published recently by the Department of Industry on the base 1975 = 100; the base of the RPI and the commission index remain unchanged. [2] Excluding seasonal food. [3] Manufactured products.

# Retailers' stocks in July

As part of the rebasing of the UK national accounts, the constant price data in this article are now presented in terms of 1975 prices. In line with the previous practice for the first monthly article after the publication of the annual National Income and Expenditure book, the tables have been extended to show longer runs of monthly data consistent with the latest set of annual figures. Figures for months prior to 1970 are available for some series on request.

Based on the non-seasonally adjusted data of table 1, the level of stocks at book values in July was £107 million lower than the previous month and 15 per cent higher than the same month a year earlier; at constant (1975) prices

**Table 1 Level of retailers' stocks**

£ million At cost at end of month

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **At book values** | | | | | | | | | | | | |
| 1970 | 1 577 | 1 612 | 1 655 | 1 685 | 1 672 | 1 688 | 1 667 | 1 657 | 1 703 | 1 823 | 1 914 | 1 739 |
| 1971 | 1 672 | 1 706 | 1 759 | 1 785 | 1 781 | 1 813 | 1 773 | 1 774 | 1 826 | 1 978 | 2 067 | 1 872 |
| 1972 | 1 796 | 1 845 | 1 898 | 1 908 | 1 918 | 1 957 | 1 901 | 1 911 | 1 954 | 2 118 | 2 232 | 1 986 |
| 1973 | 1 933 | 1 997 | 2 087 | 2 091 | 2 104 | 2 183 | 2 175 | 2 205 | 2 298 | 2 504 | 2 680 | 2 467 |
| 1974 | 2 403 | 2 415 | 2 526 | 2 598 | 2 687 | 2 708 | 2 691 | 2 675 | 2 780 | 3 016 | 3 194 | 2 886 |
| 1975 | 2 766 | 2 814 | 2 947 | 2 856 | 2 948 | 2 985 | 2 962 | 2 963 | 3 139 | 3 452 | 3 700 | 3 333 |
| 1976 | 3 151 | 3 195 | 3 388 | 3 389 | 3 382 | 3 379 | 3 311 | 3 319 | 3 547 | 3 941 | 4 229 | 3 799 |
| 1977 | 3 656 | 3 726 | 4 095 | 4 163 | 4 165 | 4 220 | 4 029 | 4 037 | 4 286 | 4 695 | 5 170 | 4 417 |
| 1978 | 4 197 | 4 220 | 4 522 | 4 597 | 4 625 | 4 744 | 4 637 | | | | | |
| **Change in book values** | | | | | | | | | | | | |
| 1970 | −60 | 35 | 43 | 30 | −13 | 16 | −21 | −10 | 46 | 120 | 91 | −175 |
| 1971 | −67 | 34 | 53 | 26 | −4 | 32 | −40 | 1 | 52 | 152 | 89 | −195 |
| 1972 | −76 | 49 | 53 | 10 | 10 | 39 | −56 | 10 | 43 | 164 | 114 | −246 |
| 1973 | −53 | 64 | 90 | 4 | 13 | 79 | −8 | 30 | 93 | 206 | 176 | −213 |
| 1974 | −64 | 12 | 111 | 72 | 89 | 21 | −17 | −16 | 105 | 236 | 178 | −308 |
| 1975 | −120 | 48 | 133 | −91 | 92 | 37 | −23 | 1 | 176 | 313 | 248 | −367 |
| 1976 | −182 | 44 | 193 | 1 | −7 | −3 | −68 | 8 | 228 | 394 | 288 | −430 |
| 1977 | −143 | 70 | 369 | 68 | 2 | 55 | −191 | 8 | 249 | 409 | 475 | −753 |
| 1978 | −220 | 23 | 302 | 75 | 28 | 119 | −107 | | | | | |
| **Percentage change on a year earlier** | | | | | | | | | | | | |
| 1970 | 5 | 5 | 4 | 5 | 3 | 4 | 4 | 5 | 6 | 5 | 6 | 6 |
| 1971 | 6 | 6 | 6 | 6 | 6 | 7 | 6 | 7 | 7 | 8 | 8 | 8 |
| 1972 | 7 | 8 | 8 | 7 | 8 | 8 | 7 | 8 | 7 | 7 | 8 | 6 |
| 1973 | 8 | 8 | 10 | 10 | 10 | 12 | 14 | 15 | 18 | 18 | 20 | 24 |
| 1974 | 24 | 21 | 21 | 24 | 28 | 24 | 24 | 21 | 21 | 20 | 19 | 17 |
| 1975 | 15 | 17 | 17 | 10 | 10 | 10 | 10 | 11 | 13 | 14 | 16 | 15 |
| 1976 | 14 | 14 | 15 | 19 | 15 | 13 | 12 | 12 | 13 | 14 | 14 | 14 |
| 1977 | 16 | 17 | 21 | 23 | 23 | 25 | 22 | 22 | 21 | 19 | 22 | 16 |
| 1978 | 15 | 13 | 10 | 10 | 11 | 12 | 15 | | | | | |
| **At constant (1975) prices – percentage change on a year earlier** | | | | | | | | | | | | |
| 1970 | 1 | — | −1 | — | −2 | −1 | −1 | −1 | −1 | −2 | −1 | — |
| 1971 | −2 | −2 | −2 | −2 | −2 | −2 | −2 | −2 | −1 | 1 | 1 | — |
| 1972 | 1 | 1 | 1 | 2 | 3 | 3 | 3 | 4 | 2 | 1 | 3 | 1 |
| 1973 | 3 | 4 | 5 | 13 | 12 | 14 | 16 | 16 | 18 | 18 | 19 | 22 |
| 1974 | 20 | 15 | 14 | 7 | 8 | 5 | 4 | 1 | — | −1 | −3 | −5 |
| 1975 | −7 | −6 | −7 | −12 | −12 | −11 | −11 | −10 | −7 | −5 | −3 | −3 |
| 1976 | −2 | −2 | — | 5 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | — |
| 1977 | 1 | 1 | 4 | 5 | 5 | 6 | 3 | 3 | 3 | 2 | 5 | 1 |
| 1978 | 1 | 1 | −1 | — | 1 | 3 | 6 | | | | | |

it was 6 per cent higher than a year earlier.

The estimate of the value of physical increase of retailers' stocks in the UK at 1975 prices and seasonally adjusted (table 2) suggests little change in July, thus repeating the rather higher level of stockholding seen in the previous month. This level was maintained in a month when the seasonally adjusted volume of retail sales rose by 2½ per cent, and consequently the ratio of stocks to sales (table 3) fell back. The ratio is now running at a level slightly lower than in the first quarter of this year.

### Revisions to the series

Most government economic statistics are being rebased from 1970 to 1975 prices and monthly stocks figures for retailers are now given on this basis for the first time. The commodity detail required for the rebasing of the stocks deflators was not available in time for the publication of this year's National Income and Expenditure book.

The rebasing of these statistics therefore consisted only of the re-referencing of the deflators for the main components to the new base year by multiplying the old deflators by a constant. When the commodity analysis of the 1976 retailing inquiry becomes available (provisional results for some variables were published in *Trade and Industry*, 3 February 1978, and further details are on page 679), the deflators will be revised to take account of this information. Also the monthly and quarterly book value series will be aligned to the results of the inquiry.

Seasonal adjustment factors have been recalculated to include the effects of the 1977 pattern.

**Inquiries:** 01-215 3705.

**Table 2 Retailers' stocks at 1975 prices**

Seasonally adjusted — £ million

| | Stocks level | Value of physical increase |
|---|---|---|
| **1967** | | |
| 1st qtr | 2 499 | −7 |
| 2nd | 2 575 | 76 |
| 3rd | 2 613 | 38 |
| 4th | 2 585 | −28 |
| **1968** | | |
| 1st qtr | 2 630 | 45 |
| 2nd | 2 676 | 46 |
| 3rd | 2 695 | 19 |
| 4th | 2 709 | 14 |
| **1969** | | |
| 1st qtr | 2 749 | 40 |
| 2nd | 2 766 | 17 |
| 3rd | 2 755 | −11 |
| 4th | 2 767 | 12 |
| **1970** | | |
| 1st qtr | 2 745 | −22 |
| 2nd | 2 750 | 5 |
| 3rd | 2 755 | 5 |
| 4th | 2 754 | −1 |
| **1971** | | |
| 1st qtr | 2 720 | −34 |
| 2nd | 2 722 | 2 |
| 3rd | 2 738 | 16 |
| 4th | 2 766 | 28 |
| **1972** | | |
| 1st qtr | 2 776 | 10 |
| 2nd | 2 834 | 58 |
| 3rd | 2 809 | −25 |
| 4th | 2 795 | −14 |
| **1973** | | |
| 1st qtr | 2 934 | 139 |
| 2nd | 3 248 | 314 |
| 3rd | 3 323 | 75 |
| 4th | 3 419 | 96 |
| **1974** | | |
| 1st qtr | 3 356 | −63 |
| 2nd | 3 409 | 53 |
| 3rd | 3 315 | −94 |
| 4th | 3 239 | −76 |
| **1975** | | |
| 1st qtr | 3 134 | −105 |
| 2nd | 3 039 | −95 |
| 3rd | 3 079 | 40 |
| 4th | 3 139 | 60 |
| **1976** | | |
| 1st qtr | 3 146 | 7 |
| 2nd | 3 079 | −67 |
| 3rd | 3 125 | 46 |
| 4th | 3 152 | 27 |
| **1977** | | |
| 1st qtr | 3 269 | 117 |
| 2nd | 3 273 | 4 |
| 3rd | 3 214 | −59 |
| 4th | 3 181 | −33 |
| **1978** | | |
| 1st qtr | 3 243 | 62 |
| 2nd | 3 371 | 128 |
| **1978** | | |
| January | 3 206 | 25 |
| February | 3 170 | −36 |
| March | 3 243 | 73 |
| April | 3 300 | 57 |
| May | 3 306 | 6 |
| June | 3 371 | 65 |
| July | 3 366 | −5 |

**Notes**

1 With the introduction of VAT, the book values are being valued exclusive of this tax. There is, therefore, a discontinuity in the series in 1973 between March and April. For the year up to March 1974, comparisons with a year earlier for the book value series are not valid. From April 1974, the basis of valuation is comparable with that of a year earlier and the percentages changes are appropriate. The estimates at constant prices take account of this method of valuation, and are on a consistent basis throughout.

2 For the estimates at constant prices, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the value series to constant prices become more acute. Thus the relative accuracy with which constant price changes have been measured is likely to have been reduced in recent periods.

3 The statistics given in table 2 were introduced in an article in *Trade and Industry*, 28 March 1975, and those in table 3 were introduced in an article in the issue of 17 March 1978.

**Table 3 Relationship of retailers' stocks to retail sales**

Index numbers – fourth quarter 1974 = 100

Seasonally adjusted

| | Stock levels at 1975 prices | Retail sales at 1971 prices | Ratio of stocks to sales |
|---|---|---|---|
| 1966 | 77 | 83 | 93.6 |
| 1967 | 80 | 84 | 94.5 |
| 1968 | 84 | 87 | 95.9 |
| 1969 | 85 | 88 | 97.5 |
| 1970 | 85 | 90 | 94.8 |
| 1971 | 85 | 91 | 93.7 |
| 1972 | 86 | 96 | 89.9 |
| 1973 | 106 | 100 | 105.0 |
| 1974 | 100 | 99 | 100.7 |
| 1975 | 97 | 97 | 99.7 |
| 1976 | 97 | 97 | 100.3 |
| 1977 | 98 | 94 | 104.0 |
| **1975** | | | |
| 1st qtr | 97 | 100 | 97.0 |
| 2nd | 94 | 99 | 94.9 |
| 3rd | 95 | 95 | 100.0 |
| 4th | 97 | 95 | 102.1 |
| **1976** | | | |
| 1st qtr | 97 | 96 | 100.7 |
| 2nd | 95 | 97 | 97.6 |
| 3rd | 96 | 98 | 98.7 |
| 4th | 97 | 96 | 100.9 |
| **1977** | | | |
| 1st qtr | 101 | 94 | 107.2 |
| 2nd | 101 | 93 | 108.2 |
| 3rd | 99 | 95 | 104.4 |
| 4th | 98 | 95 | 103.2 |
| **1978** | | | |
| 1st qtr | 100 | 97 | 103.4 |
| 2nd | 104 | 98 | 105.8 |
| **1978** | | | |
| January | 99 | 96 | 103.6 |
| February | 98 | 97 | 100.6 |
| March | 100 | 97 | 102.7 |
| April | 102 | 97 | 104.8 |
| May | 102 | 99 | 103.4 |
| June | 104 | 99 | 105.1 |
| July | 104 | 101 | 102.4 |
| August | | 102 p | |

**Notes for table 3**

1 The index numbers of the level of stocks relate to the end of each time period; the index of sales refers to retail sales during the period.

2 The 1971 = 100 index of retail sales has been rebased on the fourth quarter of 1974 for the purpose of this table.

3 The index numbers of the stocks sales ratio are calculated from unrounded estimates of the data in the previous two columns.

p Provisional.

## Official what's what

### Second edition of the Guide to Official Statistics

The second edition of 'the official what's what', has been produced by the Central Statistical Office. That was one name given to the Guide to Official Statistics when it first appeared in 1976. Now the second edition (HMSO, £8.25) offers a complete update. There is detailed information on 2500 statistical sources covering nearly 800 topics. All official and important non-official publications offering statistics relevant to these subjects are listed in over 400 pages.

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For each topic there is a full description of all the published sources available – regular publications and special reports, articles and analyses etc with significant statistical content, going back at least a decade.

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### Major award

The first edition of the guide became the first publication from a government department to win a coveted award from the Library Association – the Besterman medal 'for an outstanding bibliography or guide to the literature'. Over 6000 copies were sold and it firmly established itself on library shelves all over the country as the definitive work on statistical sources.

### Updated continuously

The material for the guide is held on computer and has been updated continuously since the first edition was published – every important new publication or article of relevance fed in, described and indexed.

Thousands of separate amendments and additions have been made in maintaining this as a unique and indispensable guide for librarians, researchers and users of all kinds of official statistics. The Open University is currently considering adopting the second edition as a set book.

### Important development

This major reference book is regarded as an important development in the service provided by government to potential users of its statistics. In addition it is seen as a significant contribution to the government's general aim of creating easier access to the information it produces.

# Index of retail prices for August

The index of retail prices for all items for 15 August was 199.4 (15 January 1974 = 100). This represents an increase of 0.7 per cent on July 1978 (198.1) and of 8.0 per cent on August 1977 (184.7).

The rise in the index in August was due mainly to increases in the levels of mortgage interest payments and the costs of motoring; to increases in the prices of some articles of food and clothing; and to higher prices for cigarettes and some household goods. These increases were partially offset by lower prices for seasonal foods, particularly fresh vegetables.

The movements for the main groups in the index are shown in table 2.

**Notes**

1 The retail prices index measures the change from month to month in the average level of prices of goods and services purchased by most households in the UK. The expenditure pattern on which the index is based is revised each year using information from the family expenditure survey. The expenditure of certain higher income households and households of retired people dependent mainly on social security benefits is excluded.

2 The index covers a large and representative selection of nearly 350 separate goods and services, for which price movements are regularly measured in 200 towns throughout the country. Approximately 150 000 separate price quotations are used each month in compiling the index.

3 Seasonal variations in the index of retail prices are due largely to a very few items of 'seasonal food' that is, those items of food the prices of which show significant seasonal variations. These items account for less than five per cent of total retail expenditure. If the variation caused by these items is removed, the underlying trend of the figures can be seen more clearly.

4 Rates of change of indices can be calculated over periods of any length. However, rates calculated over periods as long as twelve months are slow to detect changes in trend, while calculations over periods as short as three months give rather volatile results. To help in assessing trends, rates of changes in the all items index and the index for all items except seasonal food are shown in table 1 over successive periods of six months.

5 The index is given in full in the *Department of Employment Gazette*.

**Table 1 Index of retail prices**

| | All items | | | | All items except seasonal foods | | |
|---|---|---|---|---|---|---|---|
| | Index 15 Jan 1974 = 100 | Percentage change over | | | Index 15 Jan 1974 = 100 | Percentage change over | |
| | | 1 month | 6 months | 12 months | | 1 month | 6 months |
| **1978** | | | | | | | |
| March | 191.8 | +0.6 | +3.3 | +9.1 | 192.4 | +0.5 | +3.3 |
| April | 194.6 | +1.5 | +4.3 | +7.9 | 195.0 | +1.4 | +4.1 |
| May | 195.7 | +0.6 | +4.4 | +7.7 | 196.1 | +0.6 | +4.2 |
| June | 197.2 | +0.8 | +4.7 | +7.4 | 197.2 | +0.6 | +4.3 |
| July | 198.1 | +0.5 | +4.5 | +7.8 | 198.7 | +0.8 | +4.5 |
| August | 199.4 | +0.7 | +4.6 | +8.0 | 200.4 | +0.9 | +4.7 |

**Table 2 Index of retail prices: commodity breakdown**

| | Indices (15 Jan 1974 = 100) | | Percentage change over the month |
|---|---|---|---|
| | 18 July 1978 | 15 Aug 1978 | |
| All items | 198.1 | 199.4 | +0.7 |
| All items excluding food | 195.9 | 197.6 | +0.9 |
| Food | 206.1 | 206.2 | +0.0 |
| Seasonal food | 185.5 | 177.9 | −4.1 |
| Other food | 210.0 | 211.7 | +0.8 |
| Alcoholic drink | 197.5 | 197.5 | +0.0 |
| Tobacco | 224.2 | 227.0 | +1.2 |
| Housing | 174.1 | 177.8 | +2.1 |
| Fuel and light | 230.6 | 230.6 | +0.0 |
| Durable household goods | 181.8 | 183.9 | +1.2 |
| Clothing and footwear | 170.9 | 172.5 | +0.9 |
| Transport and vehicles | 207.9 | 209.6 | +0.8 |
| Miscellaneous goods | 207.9 | 209.0 | +0.5 |
| Services | 191.8 | 192.4 | +0.3 |
| Meals out | 208.9 | 211.1 | +1.1 |

**Inquiries:** Watford 28500 ext. 630.

# Office development permits: second quarter

Office development permits issued by the Department of the Environment in the second quarter of 1978 covered 3.6 million sq ft compared with 3.0 million sq ft in the second quarter of 1977 and a quarterly average of 3.5 million sq ft for 1977 as a whole. Thirty-eight permits were issued in the second quarter of 1978, one less than in the corresponding quarter of 1977.

After deduction of relinquishments of existing offices and of floorspace covered by permits for the continuing use of existing offices included in the total figures, there was a potential addition to office space by way of new building and conversion of non-office premises to office use of 2.0 million sq ft in the second quarter of 1978. This compares with 1.5 million sq ft for the corresponding quarter of 1977 and a quarterly average of 2.3 million sq ft for 1977 as a whole.

Twelve of the 38 permits issued in the second quarter of 1978 were for office development in Central London and covered 1.4 million sq ft; 11 covering 1.0 million sq ft were for development in Greater London excluding the centre; and nine covering 0.5 million sq ft for development in the Metropolitan Region outside Greater London. Six permits for a total floorspace of 0.7 million sq ft were issued in the part of the south-east planning region lying outside the Metropolitan Region.

Tables showing office development permits since 1965 appeared in *Trade and Industry*, 25 March 1977.

**Inquiries:** 01-212 8563.

**Notes to tables**

**Application of controls.** Control was applied to the Metropolitan Region (Greater London and part of the south-east region) from 5 August 1965, but with retrospective application to 5 November 1964 for some projects, and to the west Midland conurbation from 14 August 1965. In July 1966 control was extended to the remainder of the south-east and west Midland regions and to the whole of the East Midland and East Anglia regions. In February 1969 East Anglia and rural parts of the Midlands were excluded and since December 1970 control has applied only to the south-east region.

**Modification to controls.** On 14 June 1977 the exemption limit for permits throughout the south-east region was raised from 15 000 to 30 000 sq ft. Office development permits are not required for offices ancillary to industrial development covered by an appropriate industrial development certificate.

**Definition of areas.** See *Trade and Industry*, 2 September 1977, page 432.

**Area relinquished.** Comprises office floor space relinquished for demolition or change of use to non-office uses.

**Office development permits: sub-divisions of south-east planning region**

| | Central London | | | Rest of Greater London | | | Total Greater London | | | Metropolitan Region (excluding Greater London) | | | Total Metropolitan Region | | | South-east (excluding Metropolitan Region) | | | Total south-east | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Thousand sq ft | | | Thousand sq ft | | | Thousand sq ft | | | Thousand sq ft | | | Thousand sq ft | | | Thousand sq ft | | | Thousand sq ft | |
| | No. | Gross | Relinquished | No. | Gross | Relinquished | No. | Gross | Relinquished | No. | Gross | Relinquished | No. | Gross | Relinquished | No. | Gross | Relinquished | No. | Gross | Relinquished |
| 1975 | 64 | 4 883 | 448 | 106 | 5 414 | 442 | 170 | 10 297 | 890 | 86 | 2 258 | 51 | 256 | 12 555 | 941 | 46 | 1 319 | 113 | 302 | 13 874 | 1 054 |
| 1976 | 75 | 6 545 | 1 119 | 82 | 3 376 | 155 | 157 | 9 921 | 1 274 | 66 | 2 714 | 71 | 223 | 12 635 | 1 345 | 38 | 1 791 | 71 | 261 | 14 426 | 1 416 |
| 1977 | 57 | 5 674 | 328 | 53 | 5 210 | 224 | 110 | 10 884 | 552 | 36 | 1 960 | 37 | 146 | 12 844 | 589 | 19 | 1 226 | 10 | 165 | 14 070 | 599 |
| **1976** | | | | | | | | | | | | | | | | | | | | | |
| 1st qtr | 19 | 1 682 | 449 | 20 | 687 | 67 | 39 | 2 369 | 516 | 27 | 1 053 | 45 | 66 | 3 422 | 561 | 13 | 627 | 3 | 79 | 4 049 | 564 |
| 2nd | 15 | 957 | 112 | 23 | 958 | 82 | 38 | 1 915 | 194 | 19 | 871 | 6 | 57 | 2 786 | 200 | 12 | 408 | — | 69 | 3 194 | 200 |
| 3rd | 21 | 1 893 | 311 | 22 | 935 | 1 | 43 | 2 828 | 312 | 12 | 376 | 16 | 55 | 3 204 | 328 | 6 | 325 | 68 | 61 | 3 529 | 396 |
| 4th | 20 | 2 013 | 247 | 17 | 796 | 5 | 37 | 2 809 | 252 | 8 | 414 | 4 | 45 | 3 223 | 256 | 7 | 431 | — | 52 | 3 654 | 256 |
| **1977** | | | | | | | | | | | | | | | | | | | | | |
| 1st qtr | 13 | 798 | 100 | 14 | 1 404 | 19 | 27 | 2 202 | 119 | 17 | 731 | 2 | 44 | 2 933 | 121 | 6 | 429 | — | 50 | 3 362 | 121 |
| 2nd | 13 | 1 397 | 56 | 13 | 938 | 43 | 26 | 2 335 | 99 | 5 | 184 | 17 | 31 | 2 519 | 116 | 8 | 480 | — | 39 | 2 999 | 116 |
| 3rd | 12 | 1 248 | 164 | 12 | 1 342 | 140 | 24 | 2 590 | 304 | 5 | 268 | 14 | 29 | 2 858 | 318 | 2 | 162 | — | 31 | 3 020 | 318 |
| 4th | 19 | 2 231 | 8 | 14 | 1 526 | 22 | 33 | 3 757 | 30 | 9 | 777 | 4 | 42 | 4 534 | 34 | 3 | 155 | 10 | 45 | 4 689 | 44 |
| **1978** | | | | | | | | | | | | | | | | | | | | | |
| 1st qtr | 17 | 2 436 | 243 | 15 | 1 833 | 27 | 32 | 4 269 | 270 | 5 | 307 | — | 37 | 4 576 | 270 | 4 | 261 | — | 41 | 4 837 | 270 |
| 2nd | 12 | 1 435 | — | 11 | 959 | 277 | 23 | 2 394 | 277 | 9 | 483 | — | 32 | 2 877 | 277 | 6 | 716 | — | 38 | 3 593 | 277 |

# Indications of a continuing recovery in electrical engineering

This article is the first of a series reporting on the performance of the electrical engineering industry, as defined in order IX of the Standard Industrial Classification (1968). The industry, which covers a wide range of products from microcircuits to 1100 MW electricity generating sets, is sub-divided into a number of sectors based on groups of related products and technology: they are described under the various minimum list headings (MLH's) shown in the tables.

The industry can also conveniently be divided into two broad groups of MLHs, one based mainly on electrical technology and the other on electronics, although in practice not all the MLHs fall wholly into one group or the other, for instance, MLH 363, telegraph and telephone apparatus, has a large electro-mechanical content but is conventionally included with the electronics group. In 1970, as table 1 shows, the production of the two groups was nearly equal.

## Output

The pattern of output for the whole of order IX and each of its constituent groups over the last eight years has been very similar. The rates of change, however, differed considerably: the 1974 peak for the electric group was about 10 per cent above its 1970 level but that for the electronics group was more than 36 per cent higher than in the earlier year. Subsequently the electronics group recorded both a greater fall to the 1976 trough – 11 per cent compared with 8 per cent for the electric sector – and a stronger recovery to 1977. First indications for 1978 are of a continuing recovery in the whole electrical engineering industry.

## Overseas trade

The electrical engineering industry is a large contributor to the balance of payments, and in the period 1970-77 it had a favourable crude trade balance of £1,700 million in current price terms. This apparently satisfactory situation, however, conceals the fact that nearly the whole of the surplus was contributed by the electric group and that the electronics group was in deficit throughout the period, except in 1971 and 1975 when it had a tiny positive balance.

With the emphasis in electrical engineering moving from the electric to the electronics group, the persistent adverse trading balance of the latter must give rise to concern, particularly as there is a no indication that the situation will change in the near future.

In both sectors, it was consumer goods which acted as a brake upon the overall trading performance of the industry. The poor results of the electronics group can be largely attributed to broadcast receiving equipment, although deficits were also registered by radio and electronic components and computers, while domestic electric appliances, which have shown a deficit since 1973, depressed the favourable balance of the electric group.

## Employment

Table 5 shows that in 1970 the level of employment in both the electric and electronic groups was nearly equal, but that in 1977 it had changed in favour of the latter; in both cases, however, the numbers employed in 1977 were lower than in 1970.

The pattern of employment in the electrical engineering industry was very similar to that of output, with a peak in 1974, falling in each of the following years, and recovering slightly in 1977; this was partially true of the electronics group, but the numbers employed in the electric group were lower in 1974, despite an increase in domestic electric appliances.

The only sector where employment increased between 1970 and 1977 was broadcast receiving equipment, which includes gramophone records and tape recordings, while the largest relative fall in employment was in telegraph and telephone apparatus, which has been the subject of a change from electro-mechanical to electronic technology.

**Table 1 Index of production**

Index numbers 1970 = 100 seasonally adjusted

| MLH | | Weight in 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1976 Qtr 4 | 1977 Qtr 1 | 1977 Qtr 2 | 1977 Qtr 3 | 1977 Qtr 4 | % change last quarter on: Previous quarter | % change last quarter on: Same quarter a year earlier |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 361 | Electrical machinery | 19.77 | 99.2 | 83.2 | 90.2 | 93.1 | 97.9 | 95.2 | 99.7 | 95.2 | 98.9 | 98.6 | 101.9 | 99.4 | −2.5 | +4.4 |
| 362 | Insulated wires and cables | 7.94 | 93.8 | 99.0 | 109.7 | 110.0 | 93.5 | 95.4 | 98.8 | 100.8 | 103.0 | 97.3 | 100.4 | 94.4 | −6.0 | −6.3 |
| 368 | Domestic electric appliances | 8.15 | 103.6 | 114.7 | 140.2 | 143.4 | 134.4 | 123.1 | 124.3 | 132.0 | 137.5 | 113.0 | 125.9 | 120.7 | −4.1 | −8.6 |
| 369.1 | Electric equipment for vehicles | 5.18 | 102.1 | 122.2 | 124.3 | 120.6 | 95.8 | 96.7 | 91.5 | 95.6 | 96.8 | 100.4 | 77.3 | 91.7 | +18.6 | −4.1 |
| 369 2/3 | Primary and secondary batteries | 3.98 | 103.3 | 103.0 | 116.1 | 119.0 | 117.2 | 117.7 | 115.8 | 109.1 | 122.3 | 105.8 | 116.8 | 118.3 | +1.3 | +8.4 |
| 369 4/5 | Electric lamps and light fittings | 6.82 | 95.4 | 102.7 | 109.5 | 104.8 | 97.2 | 93.4 | 96.2 | 94.5 | 97.9 | 96.7 | 95.9 | 94.3 | −1.7 | −0.2 |
| Total | Electric | 51.84 | 99.2 | 98.6 | 109.0 | 109.9 | 104.1 | 101.3 | 103.4 | 102.9 | 107.1 | 101.2 | 103.3 | 102.0 | −1.3 | −0.8 |
| 363 | Telegraph and telephone apparatus | 8.94 | 113.5 | 109.2 | 119.5 | 117.5 | 114.4 | 100.4 | 83.5 | 89.1 | 83.7 | 81.5 | 86.0 | 82.8 | −3.7 | −7.1 |
| 364 | Radio and electronic components | 14.94 | 99.5 | 115.1 | 139.0 | 145.7 | 111.7 | 113.5 | 126.3 | 122.8 | 125.8 | 127.3 | 124.3 | 127.8 | +2.8 | +4.1 |
| 365.1 | Records and tape recordings | 1.15 | 105.3 | 118.1 | 162.7 | 194.3 | 197.4 | 188.8 | 194.4 | 183.0 | 216.8 | 196.5 | 172.4 | 192.0 | +11.4 | +4.9 |
| 365.2 | Broadcast receiving equipment | 7.50 | 123.6 | 176.0 | 218.7 | 198.9 | 168.5 | 156.5 | 150.6 | 175.1 | 146.8 | 134.5 | 162.9 | 158.0 | −3.0 | −9.8 |
| 366 | Electronic computers | 3.90 | 96.9 | 92.3 | 119.0 | 135.0 | 158.8 | 168.1 | 198.0 | 177.0 | 178.4 | 186.0 | 224.6 | 203.0 | −9.6 | +14.7 |
| 367 | Electronic capital goods | 11.73 | 93.0 | 88.9 | 89.2 | 93.4 | 97.1 | 101.4 | 112.4 | 104.4 | 110.7 | 109.8 | 111.9 | 117.2 | +4.7 | +12.3 |
| Total | Electronic | 48.16 | 104.2 | 115.3 | 134.6 | 136.3 | 123.3 | 121.0 | 126.2 | 126.0 | 124.0 | 122.1 | 129.5 | 129.4 | −0.1 | +2.6 |
| Order XI | Electrical engineering | 100 | 101.6 | 106.6 | 121.3 | 122.6 | 113.4 | 110.8 | 114.4 | 114.0 | 115.1 | 111.2 | 115.9 | 115.1 | −0.7 | +1.0 |
| Total | Manufacturing industry | | 99.4 | 102.0 | 110.5 | 108.9 | 102.2 | 103.2 | 103.8 | 104.6 | 105.3 | 103.0 | 103.8 | 103.3 | −0.5 | −1.2 |

**Table 2 Sales of principal products**

£ million, 1970 prices, not seasonally adjusted

| MLH | | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1976 Qtr 4 | 1977 Qtr 1 | 1977 Qtr 2 | 1977 Qtr 3 | 1977 Qtr 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 361 | Electrical machinery | 559 | 510 | 468 | 495 | 534 | 541 | 543 | 557 | 145 | 150 | 136 | 126 | 145 |
| 362 | Insulated wires and cables | 299 | 305 | 314 | 350 | 338 | 325 | 322 | 315 | 82 | 83 | 81 | 74 | 77 |
| 368 | Domestic electric appliances | 237 | 256 | 273 | 330 | 310 | 350 | 323 | 315 | 97 | 86 | 70 | 77 | 82 |
| 369.1 | Electric equipment for vehicles | 146 | 138 | 172 | 174 | 173 | 145 | 150 | 142 | 42 | 38 | 40 | 27 | 37 |
| 369.2/3 | Primary and secondary batteries | 86 | 90 | 84 | 94 | 93 | 96 | 92 | 95 | 25 | 26 | 20 | 23 | 27 |
| 369.4/5 | Electric lamps and light fittings | 199 | 184 | 176 | 210 | 210 | 185 | 185 | 188 | 48 | 52 | 46 | 43 | 47 |
| Total | Electric | 1 527 | 1 483 | 1 487 | 1 654 | 1 659 | 1 640 | 1 614 | 1 613 | 440 | 435 | 394 | 370 | 414 |
| 363 | Telegraph and telephone apparatus | 248 | 285 | 287 | 311 | 288 | 284 | 247 | 204 | 59 | 54 | 50 | 49 | 52 |
| 364 | Radio and electronic components | 402 | 390 | 441 | 518 | 546 | 456 | 470 | 505 | 128 | 128 | 127 | 120 | 130 |
| 365.1 | Records and tape recordings | 42 | 43 | 50 | 67 | 80 | 79 | 68 | 62 | 22 | 17 | 12 | 14 | 20 |
| 365.2 | Broadcast receiving equipment | 199 | 241 | 329 | 401 | 367 | 312 | 295 | 288 | 95 | 71 | 57 | 73 | 87 |
| 366 | Electronic computers | 249 | 235 | 248 | 333 | 381 | 412 | 469 | 553 | 119 | 111 | 132 | 169 | 141 |
| 367 | Electronic capital goods | 313 | 280 | 277 | 280 | 306 | 313 | 364 | 394 | 98 | 102 | 91 | 99 | 102 |
| Total | Electronic | 1 455 | 1 474 | 1 632 | 1 909 | 1 969 | 1 857 | 1 913 | 2 006 | 521 | 482 | 469 | 523 | 532 |
| Order IX | Electrical engineering | 2 981 | 2 958 | 3 119 | 3 563 | 3 628 | 3 497 | 3 527 | 3 619 | 960 | 918 | 863 | 892 | 946 |

First indications for 1978 are that numbers employed in the electrical engineering industry could well be lower by the end of the year.

**Notes**

The index of production shown in table 1, measures net output at constant prices of all establishments classified to each minimum list heading.

Table 2 shows sales at constant 1970 prices of those products which are regarded as characteristic or principal products of a minimum list heading as revealed by the series of quarterly production inquiries conducted by the Business Statistics Office. Sales of waste products and work done by establishments classified to the industry have been deducted, while sales of the principal products by establishments classified to other minimum list headings have been added to the totals which also include an estimate of the sales of those products by firms which are too small to be covered by the quarterly inquiries.

The import and export figures shown in tables 3 and 4 are obtained from the Overseas Trade Statistics by combining those trade headings which correspond most closely to the principal products of each minimum list heading, and they show the value of trade in terms of current prices.

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# Analyses of foreign enterprises in the UK: census of production 1973

In table 3 of the above article (*Trade and Industry*, 1 September, page 518) the figure for 'Net output as a percentage of UK total' in Wales was shown as 46.2. This should have read 6.2.

## Table 3 Imports of principal products

£ million cif, current prices, not seasonally adjusted

| MLH | | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1976 Qtr 4 | 1977 Qtr 1 | 1977 Qtr 2 | 1977 Qtr 3 | 1977 Qtr 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 361 | Electrical machinery | 50.1 | 53.3 | 70.5 | 91.9 | 148.5 | 139.7 | 181.4 | 213.6 | 52.3 | 53.9 | 53.7 | 53.5 | 52.6 |
| 362 | Insulated wires and cables | 6.3 | 6.9 | 10.1 | 14.1 | 18.9 | 18.5 | 23.9 | 30.0 | 7.1 | 7.4 | 7.7 | 7.4 | 7.6 |
| 368 | Domestic electric appliances | 27.7 | 34.3 | 48.6 | 98.1 | 114.3 | 138.6 | 163.8 | 221.5 | 55.8 | 56.2 | 58.4 | 52.4 | 54.5 |
| 369.1 | Electric equipment for vehicles | 7.3 | 7.6 | 11.3 | 16.4 | 21.5 | 26.4 | 41.3 | 74.2 | 13.2 | 16.7 | 17.2 | 19.1 | 21.2 |
| 369.2/3 | Primary and secondary batteries | 3.1 | 4.8 | 5.0 | 8.2 | 14.7 | 14.4 | 20.2 | 36.3 | 5.9 | 7.8 | 6.9 | 10.4 | 11.2 |
| 369.4/5 | Electric lamps and light fittings | 31.4 | 35.1 | 42.2 | 61.7 | 76.1 | 82.4 | 103.5 | 140.0 | 31.2 | 33.1 | 36.5 | 35.4 | 35.0 |
| Total | Electric | 125.8 | 142.1 | 187.7 | 290.5 | 394.0 | 420.1 | 534.2 | 715.6 | 165.5 | 175.0 | 180.4 | 178.2 | 182.0 |
| 363 | Telegraph and telephone apparatus | 11.8 | 11.7 | 15.7 | 21.1 | 30.7 | 40.1 | 67.5 | 45.1 | 12.6 | 10.4 | 9.5 | 11.5 | 13.7 |
| 364 | Radio and electronic components | 123.3 | 126.5 | 176.6 | 283.4 | 329.0 | 303.2 | 420.0 | 546.3 | 127.8 | 136.7 | 141.9 | 131.8 | 136.0 |
| 365.1 | Records and tape recordings | 3.9 | 3.9 | 8.7 | 17.1 | 22.8 | 20.0 | 20.4 | 26.3 | 6.7 | 5.7 | 5.6 | 6.4 | 8.6 |
| 365.2 | Broadcast receiving equipment | 35.1 | 57.8 | 120.0 | 242.1 | 202.5 | 184.6 | 226.6 | 327.0 | 86.1 | 79.5 | 75.6 | 82.4 | 89.4 |
| 366 | Electronic computers | 156.3 | 160.6 | 172.2 | 259.1 | 345.7 | 382.8 | 552.5 | 692.0 | 177.7 | 164.9 | 164.4 | 182.1 | 180.6 |
| 367 | Electronic capital goods | 40.2 | 45.3 | 49.5 | 64.7 | 84.9 | 102.7 | 146.6 | 172.2 | 41.6 | 41.3 | 41.6 | 42.9 | 46.3 |
| Total | Electronic | 370.5 | 405.9 | 542.6 | 887.6 | 1 015.7 | 1 033.3 | 1 433.6 | 1 808.9 | 452.6 | 438.6 | 438.6 | 457.1 | 474.6 |
| Order IX | Electrical engineering | 496.4 | 548.0 | 730.3 | 1 178.0 | 1 409.7 | 1 453.4 | 1 967.9 | 2 524.5 | 618.1 | 613.6 | 619.0 | 635.3 | 656.6 |

## Table 4 Exports of principal products

£ million fob, current prices, not seasonally adjusted

| MLH | | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1976 Qtr 4 | 1977 Qtr 1 | 1977 Qtr 2 | 1977 Qtr 3 | 1977 Qtr 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 361 | Electrical machinery | 132.5 | 166.2 | 173.2 | 197.3 | 248.9 | 387.9 | 492.8 | 614.5 | 128.4 | 145.2 | 140.1 | 166.3 | 163.0 |
| 362 | Insulated wires and cables | 47.5 | 51.8 | 47.0 | 58.3 | 99.8 | 127.4 | 148.6 | 178.7 | 41.2 | 44.4 | 48.1 | 43.5 | 42.7 |
| 368 | Domestic electric appliances | 48.9 | 53.4 | 55.6 | 69.8 | 90.1 | 107.0 | 134.9 | 177.8 | 38.6 | 43.4 | 43.5 | 42.1 | 48.8 |
| 369.1 | Electric equipment for vehicles | 12.0 | 11.4 | 19.4 | 24.8 | 27.6 | 36.7 | 50.1 | 65.9 | 13.1 | 14.3 | 16.3 | 16.8 | 18.5 |
| 369.2/3 | Primary and secondary batteries | 18.9 | 20.3 | 17.7 | 23.6 | 31.9 | 41.0 | 56.4 | 75.8 | 16.1 | 18.7 | 20.1 | 17.0 | 20.0 |
| 369.4/5 | Electric lamps and light fittings | 55.5 | 56.6 | 58.1 | 73.2 | 112.9 | 127.5 | 137.2 | 183.1 | 38.0 | 41.1 | 43.0 | 51.1 | 48.0 |
| Total | Electric | 315.3 | 359.7 | 370.9 | 447.0 | 611.2 | 827.5 | 1 020.0 | 1 295.8 | 275.5 | 307.0 | 311.1 | 336.8 | 341.0 |
| 363 | Telegraph and telephone apparatus | 37.9 | 51.9 | 48.9 | 53.3 | 56.9 | 69.7 | 117.0 | 122.9 | 27.2 | 26.6 | 28.5 | 33.0 | 34.8 |
| 364 | Radio and electronic components | 112.1 | 122.0 | 147.5 | 193.6 | 250.2 | 285.2 | 406.7 | 504.0 | 119.8 | 121.7 | 130.9 | 119.8 | 131.7 |
| 365.1 | Records and tape recordings | 8.6 | 10.3 | 11.2 | 17.4 | 21.4 | 32.5 | 43.9 | 57.9 | 14.4 | 12.5 | 13.0 | 14.6 | 17.7 |
| 365.2 | Broadcast receiving equipment | 13.9 | 13.9 | 18.3 | 23.4 | 43.7 | 77.8 | 94.9 | 113.0 | 31.6 | 26.3 | 24.7 | 25.4 | 36.5 |
| 366 | Electronic computers | 101.0 | 120.3 | 143.6 | 208.5 | 270.2 | 331.5 | 407.3 | 498.8 | 119.4 | 107.4 | 129.2 | 128.4 | 133.8 |
| 367 | Electronic capital goods | 83.4 | 92.9 | 90.8 | 102.2 | 154.8 | 237.5 | 339.3 | 443.9 | 93.9 | 103.7 | 113.4 | 110.7 | 116.0 |
| Total | Electronic | 357.0 | 411.4 | 460.3 | 598.4 | 797.1 | 1 034.3 | 1 408.9 | 1 740.5 | 406.5 | 398.3 | 439.9 | 431.8 | 470.6 |
| Order IX | Electrical engineering | 672.3 | 771.0 | 831.2 | 1 045.4 | 1 408.3 | 1 861.8 | 2 428.9 | 3 036.4 | 682.0 | 705.3 | 750.9 | 768.6 | 811.5 |

## Table 5 Employees in employment: Great Britain

Thousands

| MLH | | Mid-year count 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1976 June | 1976 Sept | 1976 Dec | 1977 March | 1977 June | 1977 Sept | 1977 Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 361 | Electrical machinery | 154 | 145 | 137 | 133 | 143 | 140 | 135 | 134 | 135 | 135 | 135 | 134 | 134 | 135 | 134 |
| 362 | Insulated wires and cables | 49 | 47 | 45 | 42 | 45 | 47 | 45 | 44 | 45 | 45 | 45 | 45 | 44 | 45 | 44 |
| 368 | Domestic electric appliances | 64 | 65 | 62 | 64 | 72 | 63 | 60 | 63 | 60 | 60 | 62 | 63 | 63 | 63 | 63 |
| 369.1 | Electric equipment for vehicles | | | | | | | | | | | | | | | |
| 369.2/3 | Primary and secondary batteries | 140 | 137 | 135 | 136 | 136 | 115 | 109 | 114 | 109 | 111 | 114 | 113 | 114 | 115 | 116 |
| 369.4/5 | Electric lamps and light fittings | | | | | | | | | | | | | | | |
| Total | Electric | 407 | 394 | 378 | 376 | 395 | 365 | 348 | 355 | 348 | 351 | 355 | 355 | 355 | 357 | 357 |
| 363 | Telegraph and telephone apparatus | 86 | 84 | 85 | 88 | 87 | 87 | 74 | 67 | 74 | 72 | 71 | 69 | 67 | 66 | 66 |
| 364 | Radio and electronic components | 132 | 128 | 127 | 136 | 153 | 128 | 125 | 129 | 125 | 126 | 129 | 129 | 129 | 130 | 130 |
| 365.1 | Records and tape recordings | 44 | 48 | 61 | 69 | 64 | 55 | 52 | 52 | 52 | 53 | 54 | 53 | 52 | 52 | 53 |
| 365.2 | Broadcast receiving equipment | | | | | | | | | | | | | | | |
| 366 | Electronic computers | 51 | 50 | 50 | 46 | 45 | 43 | 42 | 43 | 42 | 42 | 42 | 42 | 43 | 44 | 45 |
| 367 | Electronic capital goods | 96 | 94 | 80 | 80 | 87 | 89 | 89 | 91 | 89 | 91 | 91 | 91 | 91 | 93 | 94 |
| Total | Electronic | 409 | 404 | 402 | 419 | 434 | 403 | 382 | 382 | 382 | 384 | 387 | 383 | 382 | 384 | 387 |
| Order IX | Electrical engineering | 815 | 799 | 780 | 795 | 830 | 768 | 730 | 737 | 730 | 735 | 742 | 738 | 737 | 742 | 744 |
| Total | Manufacturing industry | 8 164 | 7 886 | 7 613 | 7 664 | 7 705 | 7 334 | 7 099 | 7 205 | 7 099 | 7 172 | 7 207 | 7 181 | 7 205 | 7 242 | 7 232 |

# Index of industrial production in July

Seasonally adjusted estimates of the monthly index of industrial production are now based on 1975 = 100. The latest figures suggest that industrial output continued to increase in recent months, though more so outside than within manufacturing industries.

Before any adjustment (apart from regular seasonal factors) the provisional estimates show that the average levels of the all-industries' index and the corresponding index for manufacturing industries in the period May to July 1978 were about 2½ per cent and 1 per cent respectively above their levels in the preceding three months. An analysis by broad market sector suggests that, over the same period, the output of the consumer goods industries rose by ½ per cent, the output of the investment goods industries rose by 1 per cent, and the output of the intermediate goods industries rose by 2½ per cent.

On longer-term comparisons, the all-industries' index in the latest three months was about 5 per cent above its level in the same period a year ago; a similar comparison for manufacturing industries shows a rise of about 1½ per cent.

The use for some industries of series which measure deliveries rather than production can result in the index numbers overstating or understating the level of output. The table 'Implied level of output' gives a broad assessment of the aggregate measures adjusted for this effect – these series are only available quarterly.

### New estimates of index of industrial production

Annual estimates of the main components of the index of industrial production, now based on 1975, are shown in the table 'Index numbers of industrial production'. For comparison purposes, former estimates of the index, prepared on the basis 1970 = 100 and published in the *Monthly Digest of Statistics* for August 1978, can be rescaled to 1975 = 100; these estimates are shown in parentheses under the new series.

The effects of rebasing, the receipt of later information and improvements in methodology for compiling the index of industrial production have been to increase the estimate of growth between 1975 and 1977 from around 2 per cent implied by the 1970-based series to around 6 per cent. Of the additional 4 per cent, some three-quarters arises as the result of the impact of reweighting industries involved in exploration for, and extraction of, petroleum and natural gas combined with methodological improvements in the assessment of their activities. The new index numbers also take account of a recalculation of seasonal adjustment factors. (See 'Implied level of output').

**Inquiries:** 01-233 7239.

## Index numbers of industrial production

1975 = 100

| | Weight (parts per 1 000 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|---|---|---|---|---|---|
| Total all-industries: | | | | | | |
| New series | 1 000 | 109.5 | 105.1 | 100.0 | 102.0 | 105.9 |
| (Previous series) | (1 000) | (109.4) | (105.6) | (100.0) | (100.8) | (102.1) |
| Total manufacturing: | | | | | | |
| New series | 697 | 108.3 | 106.5 | 100.0 | 101.4 | 103.0 |
| (Previous series) | (745) | (108.1) | (106.5) | (100.0) | (100.9) | (101.7) |
| Mining and quarrying: | | | | | | |
| New series | 41 | 110.2 | 90.0 | 100.0 | 125.7 | 189.3 |
| (Previous series) | (37) | (107.8) | (92.2) | (100.0) | (103.2) | (120.6) |
| Construction: | | | | | | |
| New series | 182 | 118.1 | 105.8 | 100.0 | 98.5 | 97.9 |
| (Previous series) | (146) | (125.3) | (108.9) | (100.0) | (98.1) | (96.6) |
| Gas, electricity and water: | | | | | | |
| New series | 80 | 99.3 | 98.9 | 100.0 | 102.8 | 106.9 |
| (Previous series) | (72) | (98.2) | (98.5) | (100.0) | (102.3) | (106.5) |
| All industries other than extraction of petroleum and natural gas: | | | | | | |
| New series | 999.7 | 109.3 | 105.1 | 100.0 | 100.7 | 101.9 |
| (Previous series) | (999.1) | (109.4) | (105.7) | (100.0) | (100.5) | (101.2) |

## Implied level of output

Seasonally adjusted Average 1975 = 100

| | | Output of all industries | Output of all industries other than extraction of petroleum and natural gas | Output of all industries other than construction | Output of all manufacturing industries |
|---|---|---|---|---|---|
| Weights (1975) | | 1000 | 999.7 | 810 | 697 |
| 1973 | | 110.0 | 109.9 | 108.2 | 109.1 |
| 1974 | | 105.6 | 105.7 | 105.7 | 107.3 |
| 1975 | | 100.0 | 100.0 | 100.0 | 100.0 |
| 1976 | | 102.5 | 101.1 | 103.3 | 102.1 |
| 1977 | | 106.6 | 102.6 | 108.5 | 104.0 |
| **1974** | 1st qtr | 102.0 | 101.9 | 100.2 | 103.5 |
| | 2nd | 108.6 | 108.7 | 108.9 | 110.5 |
| | 3rd | 108.2 | 108.2 | 108.9 | 109.9 |
| | 4th | 103.8 | 103.9 | 104.7 | 105.2 |
| **1975** | 1st qtr | 102.9 | 103.1 | 103.5 | 104.2 |
| | 2nd | 99.5 | 99.6 | 99.3 | 99.1 |
| | 3rd | 98.2 | 98.3 | 97.9 | 97.8 |
| | 4th | 99.6 | 99.3 | 99.6 | 98.9 |
| **1976** | 1st qtr | 100.8 | 100.2 | 100.9 | 100.1 |
| | 2nd | 101.9 | 100.8 | 102.8 | 101.8 |
| | 3rd | 101.9 | 100.5 | 103.1 | 102.2 |
| | 4th | 105.3 | 103.0 | 106.5 | 104.4 |
| **1977** | 1st qtr | 106.6 | 103.2 | 108.9 | 105.3 |
| | 2nd | 106.2 | 102.1 | 108.5 | 103.5 |
| | 3rd | 106.8 | 102.6 | 108.7 | 103.9 |
| | 4th | 106.8 | 102.4 | 108.1 | 103.3 |
| **1978** | 1st qtr | 107.5 | 102.6 | 109.1 | 103.1 |
| | 2nd | 111.4 | 105.7 | 112.0 | 105.2 |

## Index of industrial production: summary

Average 1975 = 100

| | | Total all industries | All industries other than construction | Mining and quarrying | Manufacturing industries: Total manufacturing industries | Food, drink and tobacco | Chemicals, coal and petroleum products | Metal manufacture | Engineering and allied industries | Textiles, leather and clothing | Other manufacturing | Construction | Gas, electricity and water |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Weights | | 1 000 | 810 | 41 | 697 | 77 | 66 | 47 | 298 | 67 | 142 | 182 | 80 |
| 1973 | | 109.5 | 107.6 | 110.2 | 108.3 | 103.2 | 107.7 | 124.9 | 103.5 | 111.3 | 114.7 | 118.1 | 99.3 |
| 1974 | | 105.1 | 105.0 | 90.0 | 106.5 | 102.5 | 110.5 | 114.4 | 104.6 | 103.6 | 109.5 | 105.8 | 98.9 |
| 1975 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1976 | | 102.0 | 102.7 | 125.7 | 101.4 | 102.7 | 111.4 | 106.7 | 97.0 | 100.9 | 103.9 | 98.5 | 102.8 |
| 1977 | | 105.9 | 107.7 | 189.3 | 103.0 | 103.8 | 114.5 | 102.0 | 99.5 | 101.6 | 105.6 | 97.9 | 106.9 |
| **1977** | 1st qtr | 105.7 | 107.8 | 176.1 | 104.0 | 105.2 | 115.9 | 102.6 | 99.6 | 104.0 | 107.6 | 96.1 | 106.4 |
| | 2nd | 105.5 | 107.6 | 191.9 | 102.5 | 103.6 | 114.5 | 102.4 | 99.2 | 100.8 | 104.1 | 96.3 | 108.7 |
| | 3rd | 106.5 | 108.3 | 192.7 | 103.4 | 102.4 | 114.2 | 108.0 | 100.2 | 101.3 | 105.2 | 98.4 | 107.5 |
| | 4th | 106.0 | 107.2 | 196.6 | 102.2 | 103.9 | 113.5 | 95.2 | 99.1 | 100.1 | 105.6 | 100.7 | 105.1 |
| **1978** | 1st qtr | 107.2 | 108.7 | 209.7 | 102.7 | 105.5 | 111.6 | 95.4 | 101.5 | 98.1 | 104.0 | 101.3 | 107.8 |
| | 2nd | 110.8 | 111.2 | 229.8 | 104.3 | 105.3 | 116.2 | 109.3 | 101.7 | 99.3 | 104.3 | 109.2 | 110.4 |
| **1977** | Jul | 106.2 | 107.9 | 187 | 103.5 | 104 | 115 | 112 | 100 | 102 | 104 | | 106 |
| | Aug | 106.6 | 108.5 | 193 | 103.4 | 101 | 115 | 102 | 101 | 101 | 106 | | 109 |
| | Sep | 106.7 | 108.5 | 198 | 103.3 | 102 | 113 | 110 | 100 | 101 | 105 | | 108 |
| | Oct | 105.8 | 106.9 | 198 | 101.8 | 102 | 113 | 98 | 98 | 101 | 105 | | 105 |
| | Nov | 105.7 | 106.7 | 193 | 101.7 | 105 | 114 | 88 | 99 | 99 | 106 | | 107 |
| | Dec | 106.5 | 107.8 | 200 | 102.9 | 105 | 114 | 99 | 100 | 101 | 105 | | 104 |
| **1978** | Jan | 107.0 | 108.4 | 206 | 102.5 | 107 | 111 | 91 | 102 | 98 | 104 | | 108 |
| | Feb | 107.5 | 109.1 | 216 | 102.4 | 105 | 110 | 95 | 101 | 99 | 104 | | 110 |
| | Mar | 107.2 | 108.8 | 207 | 103.2 | 105 | 114 | 100 | 102 | 98 | 104 | | 105 |
| | Apr | 111.1 | 111.5 | 222 | 104.7 | 103 | 116 | 108 | 102 | 103 | 106 | | 114 |
| | May | 110.0 | 110.2 | 232 | 103.1 | 105 | 115 | 107 | 101 | 97 | 102 | | 109 |
| | Jun | 111.4 | 112.0 | 235 | 105.1 | 108 | 118 | 114 | 102 | 98 | 106 | | 108 |
| | Jul p | 111.8 | 112.3 | 237 | 105.1 | 104 | 118 | 119 | 102 | 102 | 102 | | 111 |
| Percentage change latest three months on: | | | | | | | | | | | | | |
| 1. previous three months | | 2.3 | 1.6 | 9.1 | 1.0 | 1.3 | 3.3 | 12.1 | 0.1 | −1.2 | −1.3 | | −0.2 |
| 2. a year earlier | | 4.9 | 3.4 | 22.3 | 1.5 | 2.1 | 2.1 | 5.4 | 2.5 | −2.3 | −0.8 | | 1.6 |

p Provisional.

## Index of industrial production: detailed analysis

Average 1975 = 100

| | Mining and quarrying | | Food, drink and tobacco | | Chemicals, coal and petroleum products | | Metal manufacture | | Engineering and allied industries | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Coal mining | Other mining and quarrying | Food | Drink and tobacco | Coal and petroleum products | Chemicals and allied industries | Ferrous | Non-ferrous | Total engineering | Mechanical engineering | Instrument engineering | Electrical engineering | Shipbuilding and marine engineering |
| Weights | 34 | 7 | 54 | 23 | 9 | 57 | 35 | 12 | 170 | 92 | 12 | 66 | 14 |
| 1973 | 103.3 | 142.5 | 106.0 | 96.3 | 120.6 | 105.8 | 127.8 | 116.2 | 98.4 | 97.2 | 92.4 | 101.3 | 95.4 |
| 1974 | 85.5 | 110.8 | 104.0 | 99.1 | 115.9 | 109.7 | 114.8 | 113.4 | 102.3 | 101.3 | 98.7 | 104.5 | 98.9 |
| 1975 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1976 | 92.8 | 277.9 | 103.2 | 101.6 | 105.7 | 112.2 | 106.9 | 106.4 | 96.5 | 95.1 | 96.6 | 98.5 | 96.5 |
| 1977 | 90.1 | 647.7 | 105.0 | 100.9 | 102.7 | 116.3 | 99.8 | 108.6 | 97.4 | 93.4 | 98.7 | 102.7 | 91.7 |
| **1977** | | | | | | | | | | | | | |
| 1st qtr | 91.5 | 567.0 | 106.5 | 102.2 | 105.4 | 117.5 | 99.2 | 112.5 | 98.3 | 95.9 | 96.3 | 102.0 | 91.0 |
| 2nd | 91.1 | 657.6 | 105.1 | 100.0 | 102.7 | 116.3 | 100.4 | 108.1 | 96.4 | 92.6 | 99.3 | 101.3 | 93.1 |
| 3rd | 89.9 | 667.8 | 104.5 | 97.4 | 102.2 | 116.0 | 107.9 | 108.0 | 97.7 | 93.4 | 99.7 | 103.4 | 97.9 |
| 4th | 88.0 | 698.6 | 103.9 | 104.0 | 100.4 | 115.5 | 91.6 | 106.0 | 97.0 | 91.7 | 99.4 | 104.1 | 84.7 |
| **1978** | | | | | | | | | | | | | |
| 1st qtr | 90.4 | 760.7 | 105.7 | 105.3 | 98.7 | 113.6 | 92.2 | 105.0 | 99.1 | 92.8 | 99.4 | 107.9 | 94.9 |
| 2nd | 89.1 | 880.4 | 105.3 | 105.3 | 98.4 | 118.8 | 108.1 | 113.0 | 100.9 | 93.3 | 104.7 | 110.7 | 92.9 |
| **1977** | | | | | | | | | | | | | |
| Jul | 91 | 632 | 106 | 99 | 104 | 116 | 112 | 111 | 98 | 94 | 100 | 103 | 94 |
| Aug | 90 | 673 | 103 | 95 | 101 | 118 | 101 | 105 | 98 | 94 | 100 | 103 | 102 |
| Sep | 90 | 699 | 104 | 98 | 101 | 114 | 111 | 107 | 98 | 93 | 100 | 104 | 98 |
| Oct | 88 | 703 | 102 | 103 | 98 | 115 | 95 | 106 | 97 | 92 | 99 | 104 | 82 |
| Nov | 87 | 680 | 105 | 104 | 98 | 116 | 83 | 105 | 97 | 91 | 99 | 104 | 90 |
| Dec | 88 | 713 | 105 | 104 | 104 | 116 | 96 | 107 | 98 | 92 | 100 | 105 | 82 |
| **1978** | | | | | | | | | | | | | |
| Jan | 89 | 747 | 109 | 104 | 97 | 113 | 87 | 103 | 98 | 92 | 99 | 106 | 95 |
| Feb | 91 | 794 | 104 | 108 | 95 | 113 | 92 | 103 | 99 | 93 | 99 | 108 | 96 |
| Mar | 91 | 742 | 104 | 105 | 104 | 115 | 97 | 109 | 100 | 93 | 100 | 109 | 94 |
| Apr | 91 | 829 | 102 | 106 | 98 | 118 | 104 | 118 | 100 | 94 | 104 | 109 | 86 |
| May | 87 | 903 | 106 | 101 | 99 | 117 | 106 | 108 | 101 | 93 | 105 | 111 | 93 |
| Jun | 89 | 909 | 108 | 108 | 98 | 121 | 114 | 112 | 101 | 93 | 105 | 112 | 100 |
| Jul p | 91 | 914 | 106 | 100 | 106 | 120 | 120 | 117 | 102 | 93 | 106 | 113 | 92 |
| Percentage change latest three months on: | | | | | | | | | | | | | |
| 1. previous three months | −2.6 | 15.3 | 3.2 | −3.0 | 1.6 | 3.5 | 15.9 | 2.3 | 1.4 | −0.1 | 3.9 | 2.8 | 3.0 |
| 2. a year earlier | −2.1 | 37.9 | 1.7 | 3.1 | −2.2 | 2.7 | 5.9 | 4.1 | 4.6 | 0.4 | 5.6 | 9.8 | 0.8 |

| | Engineering and allied industries (continued) | | | | Textiles, leather and clothing | | | Other manufacturing | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total vehicles | Motor vehicles | Other vehicles | Metal goods not elsewhere specified | Textiles | Leather, leather goods and fur | Clothing and footwear | Total bricks, pottery, glass, etc | Bricks, cement, etc | Pottery and glass | Timber, furniture, etc | Paper, printing and publishing | Other manufacturing industries |
| Weights | 68 | 43 | 25 | 46 | 40 | 3 | 24 | 28 | 17 | 11 | 25 | 58 | 31 |
| 1973 | 113.3 | 118.8 | 103.5 | 110.3 | 117.1 | 107.9 | 102.1 | 113.7 | 120.7 | 103.5 | 118.9 | 115.7 | 110.2 |
| 1974 | 108.9 | 110.8 | 105.6 | 108.7 | 105.9 | 99.5 | 100.2 | 107.2 | 109.1 | 104.4 | 101.9 | 115.5 | 106.8 |
| 1975 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1976 | 97.2 | 100.2 | 91.9 | 98.6 | 103.0 | 103.1 | 97.1 | 101.0 | 99.1 | 103.8 | 103.9 | 102.5 | 109.0 |
| 1977 | 103.6 | 107.2 | 97.3 | 103.9 | 100.9 | 97.8 | 103.2 | 99.9 | 93.8 | 108.8 | 97.9 | 106.6 | 115.3 |
| **1977** | | | | | | | | | | | | | |
| 1st qtr | 101.7 | 106.9 | 92.5 | 104.2 | 105.4 | 103.1 | 101.8 | 100.0 | 93.6 | 109.3 | 100.2 | 108.3 | 119.1 |
| 2nd | 105.1 | 109.0 | 98.2 | 102.5 | 99.9 | 96.6 | 103.0 | 99.6 | 93.0 | 109.1 | 94.1 | 106.6 | 111.6 |
| 3rd | 103.7 | 106.1 | 99.4 | 104.9 | 100.4 | 95.9 | 103.4 | 100.7 | 93.6 | 111.1 | 98.3 | 105.5 | 114.4 |
| 4th | 104.1 | 107.0 | 99.0 | 104.0 | 97.8 | 95.5 | 104.5 | 99.4 | 95.1 | 105.6 | 98.7 | 106.0 | 116.2 |
| **1978** | | | | | | | | | | | | | |
| 1st qtr | 107.8 | 113.3 | 98.0 | 102.9 | 96.2 | 90.4 | 102.4 | 96.3 | 89.2 | 106.7 | 95.3 | 106.0 | 114.6 |
| 2nd | 105.0 | 107.9 | 99.9 | 102.6 | 98.4 | 89.6 | 102.2 | 100.4 | 90.6 | 114.7 | 97.6 | 106.8 | 109.0 |
| **1977** | | | | | | | | | | | | | |
| Jul | 101 | 102 | 99 | 106 | 102 | 96 | 104 | 99 | 93 | 108 | 98 | 104 | 114 |
| Aug | 105 | 108 | 99 | 105 | 100 | 96 | 104 | 103 | 94 | 116 | 96 | 107 | 118 |
| Sep | 105 | 108 | 100 | 104 | 100 | 96 | 103 | 100 | 94 | 110 | 101 | 106 | 112 |
| Oct | 103 | 105 | 99 | 103 | 98 | 95 | 105 | 99 | 93 | 107 | 102 | 105 | 116 |
| Nov | 102 | 104 | 99 | 104 | 97 | 95 | 103 | 100 | 94 | 109 | 100 | 107 | 117 |
| Dec | 107 | 112 | 99 | 105 | 98 | 95 | 106 | 99 | 98 | 101 | 94 | 107 | 116 |
| **1978** | | | | | | | | | | | | | |
| Jan | 110 | 117 | 98 | 103 | 97 | 90 | 100 | 96 | 90 | 106 | 92 | 105 | 119 |
| Feb | 107 | 112 | 98 | 102 | 97 | 90 | 102 | 97 | 88 | 109 | 96 | 106 | 113 |
| Mar | 107 | 111 | 98 | 103 | 95 | 90 | 105 | 96 | 89 | 105 | 97 | 107 | 112 |
| Apr | 107 | 110 | 100 | 106 | 103 | 90 | 106 | 103 | 92 | 118 | 99 | 106 | 112 |
| May | 106 | 110 | 100 | 99 | 96 | 90 | 99 | 99 | 89 | 115 | 94 | 105 | 104 |
| Jun | 102 | 104 | 100 | 103 | 96 | 90 | 102 | 99 | 90 | 112 | 99 | 109 | 111 |
| Jul p | 105 | 108 | 100 | 104 | 98 | 88 | 111 | 96 | 88 | 107 | 98 | 104 | 108 |
| Percentage change latest three months on: | | | | | | | | | | | | | |
| 1. previous three months | −2.1 | −3.7 | 1.2 | −1.9 | −1.5 | −1.2 | −0.7 | −0.4 | −0.9 | 0.2 | −0.6 | −0.4 | −4.3 |
| 2. a year earlier | 0.6 | 0.3 | 1.2 | −1.6 | −3.4 | −7.6 | 0.0 | −1.9 | −4.3 | 1.1 | 2.2 | 0.2 | −3.8 |


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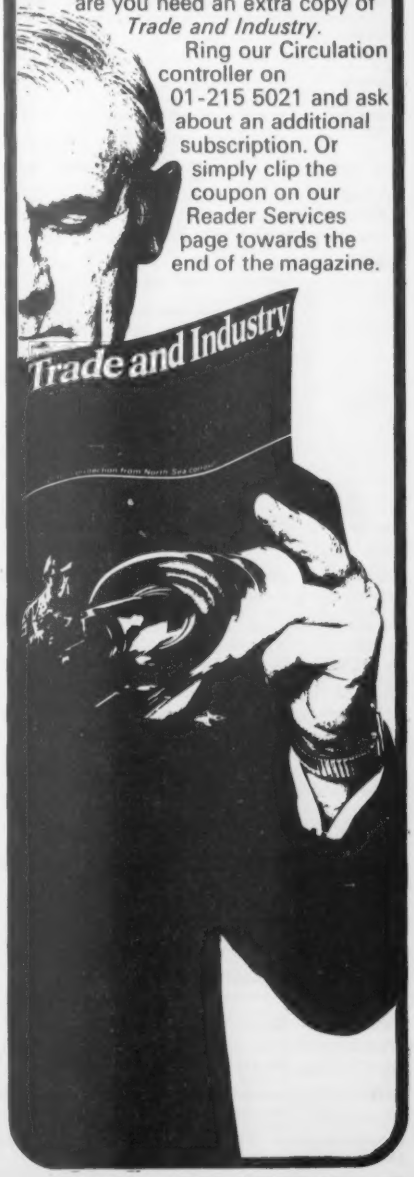


# Wholesale price indices in August

### Output prices

The provisional price index for the home sales of manufactured products rose by ½ per cent in August to 154.5 (1975 = 100).

The index for manufactured products other than food, drink and tobacco was also ½ per cent higher as a result of increases spread across most sectors. This index has increased by 1¾ per cent in the latest three months.

Higher prices for gramophone records and pre-recorded tapes made the most significant contribution to the 1¼ per cent increase in the index for the electrical engineering industries. Widespread price rises were responsible for the 1 per cent increase in the index for the mechanical engineering industries. Most of the ¾ per cent increase in the index for the instrument engineering industries was accounted for by higher prices for process measuring and control instruments.

Higher prices for wire made the most significant contribution to the 1¼ per cent increase in the index for the metal goods industries nes.

Most of the ¾ per cent increase in the index for the timber industries was accounted for by increases in the prices of domestic furniture.

More than half of the ¾ per cent increase in the index for the textile industries was accounted for by price rises for carpets and rugs. Higher prices for pre-cast concrete goods were responsible for almost half of the ¾ per cent increase in the index for the bricks, cement, etc. industries.

Slightly higher prices throughout the sector were responsible for the rise of ¼ per cent in the index for the output of the food manufacturing industries. This index increased by 1¾ per cent in the latest three months.

The change in the index for all manufactured products measured over a 12-month period was unchanged at 7½ per cent in August after falling for 12 successive months. The increase over the latest six months was 3½ per cent.

### Input prices

The provisional price index for materials and fuel purchased by manufacturing industry fell by 1 per cent in August to 144.3 (1975 = 100). The index also fell by 1 per cent over the last 12 months.

The index for materials purchased by manufacturing industry other than food, drink and tobacco industries also fell by ¾ per cent in August. This decrease was again mainly the result of sterling's appreciation against the dollar, affecting particularly the price of crude oil. This index has fallen by 3 per cent in the latest three months.

Higher prices for cold rolled strip and gold made the most significant contributions to the 1 per cent increase in the index for the metal goods industries. The main contributors to the 1 per cent increase in the index for the electrical engineering industries were copper and brass.

Lower prices for animal and vegetable oils and fats offset increases for other products in the index for the chemicals and allied industries.

Lower prices for woodpulp were responsible

**TABLE 1 Price index numbers of materials and fuel purchased**

1975 = 100

| 1968 SIC Orders or MLH Numbers | | 1977 | | | | | 1978 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul p | Aug p |
| Orders III to XIX | Materials and fuel purchased by manufacturing industry: | 145.9 | 145.6 | 143.7 | 142.0 | 141.0 | 139.4 | 139.1 | 142.0 | 145.1 | 146.8 | 147.0 | 145.7 | 144.3 |
| | Materials [1] | 146.4 | 146.0 | 143.8 | 141.9 | 140.7 | 138.7 | 138.4 | 141.4 | 144.1 | 146.0 | 146.3 | 144.8 | 143.1 |
| | Coal (except for carbonising), gas and electricity | 142.8 | 142.8 | 142.9 | 143.0 | 143.1 | 144.8 | 144.8 | 147.0 | 152.9 | 152.8 | 152.9 | 152.9 | 152.8 |
| Orders IV to XIX | Materials and fuel purchased by manufacturing industry, other than food, drink and tobacco manufacturing industries | 143.3 | 142.9 | 141.2 | 138.8 | 137.3 | 133.1 | 133.0 | 136.5 | 140.2 | 142.3 | 142.1 | 139.7 | 138.7 |
| | Materials [1] | 143.5 | 142.9 | 140.9 | 138.0 | 136.2 | 130.9 | 130.8 | 134.5 | 137.8 | 140.2 | 140.0 | 137.2 | 136.1 |
| Order III | Materials and fuel purchased by the food, drink and tobacco manufacturing industries | 148.2 | 148.6 | 147.3 | 147.5 | 147.7 | 151.0 | 150.4 | 152.0 | 153.6 | 155.4 | 156.6 | 157.6 | 155.8 |
| | **Materials and fuels purchased by selected broad sectors of industry** | | | | | | | | | | | | | |
| 211 to 229 | Food manufacturing industries | 150.5 | 150.9 | 149.5 | 149.7 | 149.7 | 153.6 | 152.8 | 154.7 | 156.0 | 157.0 | 158.0 | 158.9 | 155.7 |
| | Materials | 150.4 | 150.9 | 149.4 | 149.6 | 149.7 | 153.6 | 152.8 | 154.8 | 156.0 | 157.0 | 158.1 | 159.0 | 155.7 |
| | Fuel [2] | 151.1 | 150.7 | 150.7 | 150.8 | 150.9 | 151.9 | 151.9 | 152.4 | 155.9 | 155.9 | 155.9 | 155.9 | 156.8 |
| 211 to 229 (excluding MLH 219) | Food manufacturing industries (excluding animal and poultry foods) | 150.9 | 151.9 | 149.9 | 150.0 | 149.8 | 153.6 | 153.2 | 154.6 | 154.9 | 156.4 | 157.4 | 158.7 | 156.1 |
| Order V | Chemicals and allied industries | 147.5 | 147.5 | 148.3 | 148.1 | 148.7 | 148.3 | 148.6 | 150.1 | 153.0 | 153.5 | 153.6 | 153.3 | 153.3 |
| 311 and 312 | Steel industries [3] | 142.6 | 143.2 | 142.9 | 142.2 | 141.2 | 140.5 | 140.2 | 143.0 | 145.0 | 145.9 | 146.2 | 145.9 | 146.2 |
| 321 to 323 | Non-ferrous metals industry | 142.6 p | 142.1 p | 145.3 p | 144.6 p | 144.3 p | 141.9 p | 141.4 p | 143.2 p | 145.0 p | 145.6 p | 145.6 p | 145.2 | 148.1 |
| Order VII (excluding MLH 342) | Mechanical engineering industries | 141.4 | 142.4 | 145.0 | 145.1 | 145.4 | 147.0 | 147.7 | 149.5 | 151.6 | 152.5 | 153.3 | 154.3 | 155.9 |
| Order IX | Electrical engineering industries | 140.1 | 141.1 | 142.4 | 141.7 | 142.3 | 142.8 | 142.7 | 144.6 | 146.9 | 148.4 | 149.5 | 149.6 | 151.2 |
| Order X | Shipbuilding and marine engineering industries [4] | 141.4 | 141.9 | 145.6 | 146.0 | 146.6 | 148.7 | 151.3 | 152.8 | 154.9 | 155.3 | 156.2 p | 157.0 | 158.0 |
| Order XII | Metal goods industries | 142.7 | 144.8 | 146.1 | 145.6 | 145.8 | 146.6 | 147.2 | 149.5 | 151.5 | 152.8 | 153.5 | 154.1 | 155.8 |
| Order XIII | Textile industries | 143.2 | 142.9 | 142.3 | 140.8 | 140.7 | 139.5 | 140.8 | 142.2 | 144.7 | 145.6 | 146.0 | 145.6 | 146.2 |
| Order XV | Clothing and footwear industries | 135.0 | 136.6 | 137.2 | 137.4 | 137.5 | 139.2 | 139.4 | 139.8 | 141.6 | 142.4 | 142.8 | 144.2 | 144.7 |
| 461, 464 and 469 | Bricks, cement etc industries | 144.2 | 144.7 | 145.9 | 146.2 | 146.5 | 147.6 | 148.0 | 150.2 | 152.0 | 153.1 | 153.6 | 154.1 | 154.6 |
| 462 and 463 | Pottery and glass industries | 149.8 | 151.5 | 152.4 | 152.6 | 152.9 | 154.9 | 155.1 | 155.8 | 157.7 | 158.9 | 159.2 | 159.8 | 160.5 |
| Order XVII | Timber industries | 140.8 p | 141.1 p | 141.8 p | 142.0 p | 142.0 p | 144.2 p | 144.8 p | 145.0 p | 146.4 p | 146.8 p | 147.7 p | 148.7 | 150.5 |
| 481 to 484 | Paper industries | 131.8 | 130.9 | 124.4 | 123.2 | 121.5 | 117.3 | 117.0 | 118.2 | 120.1 | 121.0 | 120.7 | 120.8 | 119.9 |
| Order XX | Construction materials | 149.0 | 149.0 | 150.4 | 151.1 | 151.3 | 152.0 | 152.8 | 154.1 | 155.5 | 157.2 | 158.2 | 159.3 | 160.4 |
| Part of Order XX | House building materials | 150.0 | 149.7 | 150.8 | 150.9 | 150.9 | 151.4 | 152.3 | 153.8 | 155.0 | 156.0 | 157.7 | 158.8 | 160.1 |

[1] Includes crude oil and coal for carbonising. [2] Includes petroleum products. [3] The firm figure for May 1978 (1970 = 100), previously held provisional, is 338.8.

[4] Revisions to the 1970 = 100 series:

| | Oct 77 | Nov 77 | Dec 77 | Jan 78 | Feb 78 | Mar 78 | Apr 78 | May 78 |
|---|---|---|---|---|---|---|---|---|
| Order X Shipbuilding and marine engineering industries | 290.8 | 291.3 | 291.6 | 293.2 | 293.8 | 294.4 | 297.6 | 299.5 |

p Provisional.

**Table 1(a) Price index numbers of materials and fuel purchased by selected sectors of industry**

1975 = 100

| 1968 SIC | | 1977 | | | | | 1978 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul p | Aug p |
| 361 | Electrical machinery industry | 139.5 | 140.4 | 143.0 | 143.3 | 143.6 | 144.7 | 145.1 | 146.7 | 148.5 | 149.3 | 150.3 | 151.3 | 152.7 |
| 362 | Insulated wires and cables industry | 137.6 | 137.8 | 138.7 | 136.0 | 137.4 | 136.7 | 134.9 | 137.0 | 140.4 | 142.8 | 145.1 | 143.4 | 145.2 |
| 364 | Radio and electronic components industry | 139.8 | 141.1 | 142.1 | 142.2 | 142.4 | 143.7 | 144.4 | 146.2 | 147.7 | 148.5 | 149.3 | 149.8 | 151.6 |
| 368 | Domestic appliances industry | 142.6 | 143.5 | 146.1 | 146.5 | 147.0 | 148.0 | 149.0 | 150.2 | 151.5 | 152.2 | 152.7 | 154.0 | 155.7 |
| 369 | Electrical goods industries nes | 141.9 | 143.4 | 144.6 | 144.4 | 144.8 | 145.3 | 145.5 | 146.9 | 148.7 | 149.7 | 150.7 | 151.1 | 153.0 |
| 381 | Motor vehicle industry | 142.0 | 143.5 | 144.7 | 144.8 | 145.3 | 147.1 | 147.9 | 150.1 | 151.6 | 152.7 | 153.6 | 154.3 | 156.4 |
| 411 | Man-made fibres industry | 137.2 | 136.8 | 135.4 | 134.6 | 134.8 | 133.1 | 134.0 | 135.2 | 137.0 | 137.0 | 137.2 | 136.9 | 137.7 |
| 414 | Woollen and worsted industry | 139.9 | 137.8 | 139.6 | 138.6 | 139.9 | 137.8 | 138.7 | 141.2 | 145.3 | 151.5 | 154.7 | 155.1 | 154.2 |
| 422/1 | Household textiles and handkerchiefs industry | 140.4 | 140.3 | 140.3 | 139.5 | 139.7 | 140.4 | 140.9 | 141.5 | 142.5 | 143.7 | 144.8 | 145.6 | 146.4 |
| 450 | Footwear industry | 134.2 | 135.2 | 135.2 | 135.4 | 135.5 | 136.3 | 136.4 | 136.7 | 138.5 | 139.5 | 139.8 | 141.4 | 142.3 |
| 481 | Paper and board making industry | 132.6 | 131.5 | 123.4 | 121.8 | 119.8 | 115.1 | 114.8 | 115.8 | 118.0 | 119.0 | 118.6 | 118.7 | 117.6 |

p Provisional.

## Table 2 Price index numbers of output (home sales)

1975 = 100

| 1968 SIC Orders or MLH numbers | | 1977 Aug | Sep | Oct | Nov | Dec | 1978 Jan | Feb | Mar | Apr | May | Jun | Jul p | Aug p |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Orders III to XIX | Output of manufactured products | 143.8 | 144.4 | 145.3 | 145.7 | 146.3 | 148.3 | 149.2 | 150.0 | 150.9 | 151.9 | 152.7 | 153.8 | 154.5 |
| Orders IV to XIX | Products of manufacturing industries other than food, drink and tobacco manufacturing industries | 140.6 | 141.4 | 142.6 | 143.3 | 143.9 | 145.8 | 146.6 | 147.4 | 148.5 | 149.5 | 150.3 | 151.4 | 152.3 |
| | **Output of selected broad sectors of industry** | | | | | | | | | | | | | |
| 211 to 229 | Food manufacturing industries | 153.8 | 153.7 | 153.8 | 153.2 | 154.4 | 156.3 | 157.3 | 157.9 | 158.8 | 160.2 | 161.4 | 162.9 | 163.2 |
| 211 to 229 (excluding MLH 219) | Food manufacturing industries (excluding animal and poultry foods) | 154.2 | 154.5 | 155.0 | 154.7 | 156.2 | 158.3 | 159.3 | 160.0 | 161.0 | 162.2 | 163.0 | 164.3 | 164.7 |
| Order V | Chemicals and allied industries | 136.2 | 136.5 | 137.2 | 137.9 | 138.4 | 140.4 | 141.5 | 141.8 | 142.5 | 142.8 | 143.0 | 143.6 | 144.4 |
| Order VI | Metal manufacturing [1] [2] | 144.2 | 146.1 | 148.2 | 148.2 | 148.5 | 149.9 | 149.5 | 150.1 | 151.6 | 152.7 | 153.8 | 155.2 | 156.5 |
| 311 and 312 | Steel industries [1] [2] | 142.0 | 144.3 | 147.2 | 147.6 | 147.7 | 150.0 | 150.6 | 151.1 | 152.6 | 152.8 | 153.1 | 156.1 | 156.9 |
| Orders VII to XII | Engineering and allied industries | 139.5 | 140.4 | 142.2 | 143.3 | 144.3 | 146.4 | 147.6 | 148.5 | 149.8 | 151.0 | 152.2 | 153.8 | 155.2 |
| Order VII (excluding MLH 342) | Mechanical engineering [1] | 138.9 | 140.1 | 142.1 | 142.8 | 144.5 | 146.9 | 147.6 | 148.7 | 150.0 | 150.9 | 151.5 p | 153.5 | 154.9 |
| Order VIII | Instrument engineering | 133.2 | 134.9 | 138.7 | 138.9 | 141.0 | 145.0 | 146.0 | 146.4 | 146.9 | 147.2 | 147.5 | 148.8 | 149.8 |
| Order IX | Electrical engineering | 133.2 | 134.1 | 135.5 | 137.8 | 137.7 | 138.8 | 139.2 | 140.2 | 141.6 | 142.9 | 144.2 p | 144.4 | 146.1 |
| Order XI (excluding MLH 383) | Vehicles | 148.7 | 149.6 | 150.3 | 151.0 | 152.2 | 155.1 | 157.8 | 158.0 | 158.7 | 159.6 | 161.7 | 165.0 | 165.8 |
| Order XII | Metal goods industries nes | 142.3 | 142.9 | 145.6 | 146.5 | 146.9 | 148.9 | 150.4 | 152.3 | 154.5 | 155.8 | 156.5 | 157.6 | 159.9 |
| Order XIII | Textile industries | 135.6 | 138.0 | 138.8 | 139.0 | 139.2 | 142.3 | 143.0 | 143.6 | 145.0 | 145.5 | 146.1 | 147.6 | 148.7 |
| Order XV | Clothing and footwear | 129.9 | 131.4 | 132.4 | 134.2 | 134.6 | 137.7 | 138.4 | 139.2 | 139.7 | 141.1 | 141.6 | 143.1 | 143.8 |
| 441 to 445 and 449 | Made-up clothing | 128.5 | 130.0 | 131.1 | 133.0 | 133.3 | 136.3 | 137.1 | 137.7 | 138.4 | 139.4 | 140.0 | 141.7 | 142.5 |
| 461, 464 and 469 | Bricks, cement etc industries | 153.9 | 154.9 | 156.7 | 157.7 | 158.1 | 158.8 | 159.4 | 162.2 | 164.8 | 165.8 | 168.1 | 169.3 | 170.5 |
| 462 and 463 | Pottery and glass industries | 140.0 | 144.8 | 146.7 | 148.8 | 149.4 | 150.3 | 152.2 | 153.2 | 155.0 | 155.1 | 156.2 | 156.6 | 157.0 |
| Order XVII | Timber industries | 139.4 | 139.9 | 141.3 | 142.0 | 142.4 | 143.6 | 144.4 | 145.2 | 145.4 | 145.8 | 146.1 | 147.7 | 148.9 |
| 481 to 484 | Paper industries | 129.9 | 131.1 | 131.7 | 131.9 | 132.0 | 132.2 | 132.4 | 132.5 | 133.2 | 133.6 | 133.8 | 134.3 | 134.6 |

[1] Firm figures for May 1978 (1970 = 100), previously held provisional, are Metal manufacturing 310.0 Steel industries 344.8 Mechanical engineering 297.5.

[2] Revision to the 1970 = 100 series:

| | Oct 77 | Nov 77 | Dec 77 | Jan 78 | Feb 78 | Mar 78 | Apr 78 |
|---|---|---|---|---|---|---|---|
| Order VI Metal manufacturing | 299.3 | 298.4 | 299.3 | 303.6 | 303.5 | 304.6 | 307.0 |
| MLHS 311/312 Steel industries | 331.9 | 332.4 | 332.5 | 339.5 | 340.7 | 341.8 | 343.6 |

p Provisional.

for the ¾ per cent fall in the index for the paper industries.

Lower prices for both home-produced and imported materials were responsible for the fall of 2 per cent in the index for materials purchased by the food manufacturing industries. Large falls in the price of home-produced cereals and potatoes made the most significant contribution. This index has fallen by ¾ per cent in the latest three months.

### Multiplication factors for use with table 1 indices

| 1968 SIC orders or MLH numbers | | Multiplication factor |
|---|---|---|
| Orders III to XIX | Materials and fuel purchased by manufacturing industry: | 2.326 |
| | Materials | 2.374 |
| | Coal (except for carbonising), gas and electricity | 1.918 |
| Orders IV to XIX | Materials and fuel purchased by manufacturing industry other than food, drink and tobacco manufacturing industries: | 2.487 |
| | Materials | 2.586 |
| Order III | Materials and fuel purchased by the food, drink and tobacco manufacturing industries | 2.052 |
| | **Materials and fuels purchased by selected broad sectors of industry** | |
| 211 to 229 | Food manufacturing industries: | 2.027 |
| | Materials | 2.026 |
| | Fuel | 2.070 |
| 211 to 229 (excluding MLH 219) | Food manufacturing industries (excluding animal and poultry foods) | 2.016 |
| Order V | Chemicals and allied industries | 2.216 |
| 311 and 312 | Steel industries | 2.322 |
| 321 to 323 | Non-ferrous metals industry | 1.457 |
| Order VII (excluding MLH 342) | Mechanical engineering industries | 2.074 |
| Order IX | Electrical engineering industries | 1.787 |
| Order X | Shipbuilding and marine engineering industries | 1.929 |
| Order XII | Metal goods industries | 2.144 |
| Order XIII | Textile industries | 2.093 |
| Order XV | Clothing and footwear industries | 1.818 |
| 461, 464 and 469 | Bricks, cement, etc, industries | 2.215 |
| 462 and 463 | Pottery and glass industries | 2.094 |
| Order XVII | Timber industries | 2.197 |
| 481 to 484 | Paper industries | 2.392 |
| Order XX Part of order XX | Construction materials House building materials | 2.017 2.059 |

## Change of weights and reference year

From this month, new series of wholesale price index numbers with 1975 as 100 supersede the series with 1970 as 100. Differences between the two series are summarised in the following paragraphs and details of the construction of the new series in the notes at the end of the tables.

### Multiplication factors for use with table 2 indices

| 1968 SIC orders or MLH numbers | | Multiplication factor |
|---|---|---|
| Orders III to XIX | Output of manufactured products | 1.874 |
| Orders IV to XIX | Products of manufacturing industries other than food, drink and tobacco manufacturing industries | 1.959 |
| | **Output of selected broad sectors of industry** | |
| 211 to 229 | Food manufacturing industries | 1.922 |
| 211 to 229 (excluding MLH 219) | Food manufacturing industries (excluding animal and poultry foods) | 1.917 |
| Order V | Chemicals and allied industries | 1.906 |
| Order VI | Metal manufacturing | 2.030 |
| 311 and 312 | Steel industries | 2.257 |
| Orders VII to XII | Engineering and allied industries | 1.925 |
| Order VII (excluding MLH 342) | Mechanical engineering | 1.972 |
| Order VIII | Instrument engineering | 1.667 |
| Order IX | Electrical engineering | 1.808 |
| Order XI (excluding MLH 383) | Vehicles | 2.098 |
| Order XII | Metal goods industries nes. | 1.959 |
| Order XIII | Textile industries | 1.775 |
| Order XV | Clothing and footwear | 1.641 |
| 441 to 445 and 449 | Made-up clothing | 1.577 |
| 461, 464 and 469 | Bricks, cement, etc, industries | 2.019 |
| 462 and 463 | Pottery and glass industries | 1.930 |
| Order XVII | Timber industries | 2.047 |
| 481 to 484 | Paper industries | 2.249 |

These factors will be included in the articles for the next three months.

### Reference year

Conventionally, price index numbers express prices in any given period as a percentage of those in a selected reference period; a convenient reference period is that of the weighting base. However the new indices are weighted according to the 1974 patterns of sales and purchases but with the reference year of 1975 taken as 100. The 1974 patterns have been adopted because the latest source of detailed information on purchases is the 1974 purchases inquiry; the selection of 1975 rather than 1974 as the reference year is in accordance with national accounts practice and international recommendations.

### Weighting

The weights for both input and output series are determined by the pattern of sales and purchases in the base year. In the 1970 = 100 series, the index numbers expressed the cost of a 1968 basket of goods as a percentage of its cost in 1970. For the new series the index numbers express the cost of a 1974 basket of goods as a percentage of its cost in 1975. This is equivalent (see note 8) to combining price relatives for individual commodities with weights in proportion to the value of 1974 quantities revalued at 1975 prices. It also leads to the same result as in constructing the series by first taking 1974 as both base and reference year, and dividing this preliminary series by its index for 1975 (and multiplying by 100). In other words the percentage changes shown by the new series are the same as if 1974 had been used as both base and reference year.

The more recent weighting base for the new series leads to a better guide to recent price movements than the 1968-based series. The accompanying table compares the movements between the first quarters of 1974 and 1978 of the principal index numbers included in tables 1 and 2. For this overlap period the differences in movement shown by the new series are gen-

continues on page 692

## Table 3 Commodities produced in the United Kingdom (published monthly)

1975 = 100

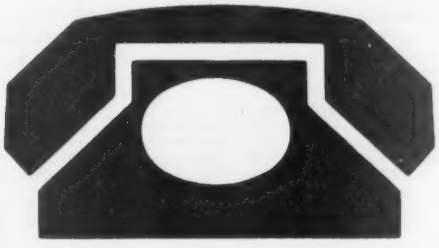
| 1968 SIC order or MLH and industry | 1978 May | Jun | Jul p | Aug p |
|---|---|---|---|---|
| **II Mining and quarrying** | | | | |
| 101 **Coal** | 151.9 | 151.9 | 151.9 | 151.9 |
| 102 **Stone and slate quarrying and mining** | 170.6 | 172.5 | 172.4 | 172.6 |
| Coated limestone roadstone | 172.8 | 174.2 | 174.2 | 174.2 |
| 103 **Chalk, clay, sand and gravel extraction** | | | | |
| Sand and gravel – ex-pit or works | 203.3 | 205.0 | 206.7 | 206.7 |
| **III Food, drink and tobacco** | | | | |
| 240 **Tobacco** | 156.0 | 156.0 | 156.0 | 156.0 e |
| **IV Coal and petroleum products** | | | | |
| 261 **Coke ovens and manufactured fuel** | | | | |
| Foundry coke | 152.5 | 152.5 | 152.5 | 152.5 |
| 262 **Mineral oil refining** | | | | |
| Motor spirit | 130.9 | 130.9 | 130.9 | 130.9 |
| **V Chemicals and allied industries** | | | | |
| 271 **General chemicals** | 144.1 | 144.8 p | 145.3 | 146.1 |
| 271/1 **Inorganic chemicals** | 153.5 | 153.7 | 154.7 | 155.0 |
| 271/2 **Organic chemicals** | 137.0 | 138.1 | 138.5 | 139.7 |
| 272 **Pharmaceutical chemicals and preparations** | | | | |
| Pharmaceutical preparations | 152.6 p | 152.6 p | 153.6 | 154.1 |
| 273 **Toilet preparations** | 144.9 | 146.2 | 148.7 | 149.2 |
| 274 **Paint** | 140.9 | 140.9 p | 140.9 | 141.4 |
| 276 **Synthetic resins and plastics materials and synthetic rubber** | | | | |
| 276/1 **Synthetic resins and plastics materials** | 140.9 | 141.0 | 141.1 | 141.8 |
| **VI Metal manufacture** | | | | |
| 311/2 **Steel** | | | | |
| Non-alloy steels | | | | |
| Heavy rails, sleepers and fishplates etc | 135.6 | 135.6 | 135.6 e | 135.6 e |
| Heavy rolled products 80 mm and over | 161.0 | 161.0 | 161.4 | 161.4 |
| Rods and bars in coils | 143.8 | 143.8 | 149.6 | 151.4 |
| Plates in coils and cut lengths | 140.0 | 140.0 | 141.7 | 142.3 |
| Steel sheets (under 3 mm thick) | | | | |
| Uncoated steel sheet | 158.7 | 158.7 | 165.3 | 167.6 |
| Electrical steel sheet | 158.7 | 158.7 | 165.3 | 167.7 |
| Galvanised steel sheet | 143.5 | 143.5 | 146.6 | 147.7 |
| Tinplate and blackplate | 164.2 | 163.4 | 163.4 | 163.4 |
| Bright steel bars non alloy | 159.7 | 159.7 | 163.6 | 167.1 |
| Castings | 160.9 | 161.8 | 162.1 | 162.1 |
| Stainless and heat resisting alloy steels | | | | |
| Steel under 3 mm thick | | | | |
| Stainless steel sheets | 154.7 | 154.7 | 166.4 | 166.9 |
| Castings | 153.6 | 153.7 | 153.7 | 153.7 |
| Alloy steels other than stainless and heat resisting | | | | |
| Plates in coils and cut lengths | 124.6 | 124.6 | 134.9 | 138.4 |
| Castings | 155.1 | 155.6 | 156.0 | 156.0 |
| 312 **Steel tubes** | 156.4 | 156.5 | 156.6 | 161.8 |
| Fittings for steel tubes | 147.6 | 147.6 | 149.2 | 149.2 |
| 321 **Aluminium and aluminium alloys** | | | | |
| Aluminium plate, sheet, strip, circles and blanks | 181.0 | 179.7 | 177.8 | 177.8 e |
| Aluminium extrusions and tubes (bars, rods, sections etc) | 176.8 | 174.7 | 175.8 | 175.8 e |
| Aluminium forgings | 171.5 | 171.5 | 171.5 | 188.2 |
| 322 **Copper, brass and other copper alloys** | | | | |
| Copper tubes | 145.0 | 145.5 | 144.7 | 145.1 |
| **VII Mechanical engineering** | | | | |
| 331 **Agricultural machinery** | 164.6 p | 164.9 p | 166.4 | 167.0 |
| Soil preparation and cultivation machinery | 166.4 p | 166.6 p | 169.0 | 169.1 |
| Harvesting, threshing, feed processing etc machinery | 166.0 p | 166.7 p | 166.8 | 167.1 |
| Pick-up balers | 167.9 | 167.9 | 167.9 | 167.9 |
| Grinding mills and meal mixers (excluding combined mills and mixers) | 160.7 | 160.9 | 163.1 | 163.4 |
| Milking machinery | | | | |
| Milking machines, including parts | 170.4 | 170.4 | 170.4 | 171.1 |
| 332 **Metal working machine tools** | 155.4 p | 156.5 p | 157.5 | 158.0 |
| 332/1 **Metal cutting machine tools** | 157.2 p | 158.1 p | 159.2 | 159.6 |
| 332/2 **Metal forming machine tools** | 152.3 | 153.3 | 154.4 | 154.9 |
| 333 **Pumps, valves, compressors and fluid power equipment** | 146.6 p | 147.1 p | 147.5 | 149.1 |
| 331/1 **Pumps** | 150.5 | 151.2 | 151.4 | 153.1 |
| Centrifugal pumps | 150.4 | 151.3 | 151.5 | 153.0 |
| Kerbside petrol and oil measuring pumps and parts | 144.6 | 144.6 | 144.6 | 149.6 |
| 333/2 **Industrial valves** | 139.3 | 139.7 | 139.9 | 141.1 |
| Valves – ferrous metal | | | | |
| Iron valves | 150.6 | 150.6 | 151.1 | 152.4 |
| Steel valves | 130.9 | 130.9 | 130.9 | 131.8 |
| Valves – non-ferrous metal | 149.4 | 150.9 | 151.4 | 153.1 |
| 333/3 **Air and gas compressors** | 153.8 p | 153.9 p | 153.9 | 154.8 |
| 333/4 **Fluid power equipment** | | | | |
| Oil/hydraulic fluid power equipment | 150.1 | 150.8 | 152.1 | 153.5 |
| Pneumatic control fluid power equipment | 145.7 | 145.7 | 145.7 | 149.3 |
| 334 **Industrial engines** | 167.3 p | 167.9 p | 168.3 | 168.5 |
| 336 **Construction and earth moving equipment** | 166.1 p | 167.8 p | 171.1 | 171.9 |
| Excavators, trenchers, ditchers and digging machinery including parts | 176.7 p | 178.2 p | 180.6 | 181.2 |
| Wheeled tractor shovels, crawler tractors, dumpers and other earth moving equipment | | | | |
| Dumpers and dump trucks | 151.8 | 151.8 | 151.9 | 153.4 |
| Concrete mixing and placing machinery | 154.7 | 157.6 | 157.7 | 160.3 |
| Crushing, pulverising and screening plant, incl. parts | 155.5 | 160.7 | 161.9 | 163.2 |
| 337 **Mechanical handling equipment** | 151.8 p | 152.3 p | 153.1 | 154.9 |
| 337/2 **Cranes and transporters** | 151.1 | 151.3 p | 152.0 | 152.6 |
| 337/4 **Lifting and winding devices** | 150.6 | 152.0 | 152.4 | 152.7 |
| 337/5 **Powered industrial trucks and tractors** | 161.4 p | 161.7 p | 161.9 | 164.2 |
| 339/1 **Mining machinery** | 140.3 p | 140.8 p | 142.5 | 146.9 |
| 339/3 **Refrigerating machinery** | 160.6 | 161.9 p | 163.3 | 164.4 |
| 339/5 **Scales and weighing machinery (excluding precision balances)** | 145.2 | 154.1 | 154.1 | 154.1 |
| 339/6 **Portable power tools** | 147.3 | 147.8 p | 150.1 | 150.2 |
| 339/7 **Food and drink processing machinery** | 149.8 | 150.8 | 153.4 | 156.0 |
| 339/9 **Miscellaneous (non-electrical) machinery** | 154.5 p | 155.0 p | 156.4 | 157.7 |
| **VIII Instrument engineering** | | | | |
| 352 **Clocks, watches and time recorders** | 151.8 | 152.1 | 153.1 | 153.4 |
| 354 **Scientific and industrial instruments and systems** | 144.5 | 144.9 p | 146.2 | 147.5 |
| Other scientific and industrial instruments (non-optical) | | | | |
| Analytical instruments | 143.8 | 143.8 p | 144.7 | 145.0 |
| Spectrophotometers and absorptiometers | 133.9 | 133.9 | 135.5 | 135.5 |
| Electrical measuring, testing and controlling instruments and apparatus | 141.8 | 143.6 p | 143.6 | 143.9 |
| **IX Electrical engineering** | | | | |
| 365 **Broadcasting receiving and sound reproducing equipment** | 127.7 p | 128.1 p | 128.1 | 131.9 |
| 365/1 **Gramophone records and tape recordings** | 142.0 p | 142.0 p | 143.3 | 157.1 |
| Gramophone records | 143.5 p | 143.5 p | 144.6 | 159.0 |
| Pre-recorded tapes, other than video | | | | |
| —cassettes | 134.1 p | 134.1 p | 136.8 | 146.8 |
| —cartridges and other | 136.3 p | 136.3 p | 137.2 | 150.1 |
| 365/2 **Broadcast receiving and sound reproducing equipment, other than gramophone records and tape recordings** | 123.4 p | 123.9 p | 123.4 | 124.2 |
| Domestic television receivers | 126.0 p | 126.0 p | 125.8 | 126.6 |
| —monochrome | 126.9 p | 126.9 p | 126.9 | 127.9 |
| —colour | 126.0 p | 126.0 p | 125.7 | 126.4 |
| 368 **Electrical appliances primarily for domestic use** | 153.2 | 153.9 p | 154.0 | 155.0 |
| Domestic electric cooking apparatus | 156.5 | 156.5 | 156.8 | 157.2 |
| Domestic electric flat irons | 148.2 | 148.2 | 148.2 | 148.9 |
| Domestic electric heating apparatus | 157.3 | 159.5 p | 159.5 | 160.5 |
| Electric water heaters | 151.6 | 161.3 | 161.3 | 161.3 |
| Vacuum cleaners | 155.0 | 156.3 | 156.3 | 158.3 |
| Domestic refrigerators and freezers | 144.0 | 144.9 | 145.2 | 146.4 |
| 369/4 **Electric lamp bulbs and tubes** | 155.4 | 155.4 | 155.4 | 155.4 |
| **XI Vehicles** | | | | |
| 380 **Wheeled tractors, complete** | 178.7 | 183.9 | 183.9 | 184.0 |
| 381 **Motor vehicles** | | | | |
| Passenger cars | 162.6 | 164.6 | 169.7 | 170.2 |
| Passenger cars[1] | 162.6 | 164.6 | 169.7 | 170.2 |
| Commercial and public service vehicles | 161.8 | 166.2 | 167.8 | 168.6 |
| Commercial vehicles | 162.5 | 167.2 | 169.2 | 170.0 |
| Commercial vehicles and chassis not exceeding 3.5 tons gvw | 168.1 | 172.0 | 176.2 | 176.9 |
| Commercial vehicles and chassis exceeding 3.5 tons but not exceeding 16 tons gvw | 160.5 | 165.6 | 167.0 | 167.8 |
| Commercial vehicles and chassis exceeding 16 tons gvw | 158.0 | 163.4 | 163.4 | 164.3 |
| Public service vehicles | 160.3 | 164.1 | 164.9 | 165.8 |
| **XII Metal goods not elsewhere specified** | | | | |
| 390 **Engineers' small tools and gauges** | | | | |
| Engineers' cutting tools | 165.5 | 166.2 | 169.9 | 173.2 |
| Diamond tipped tools and diamond dies | 157.1 | 177.2 | 177.2 | 177.1 |
| Saws | | | | |
| Hacksaw blades | 186.0 | 186.0 | 186.0 | 198.1 |
| 391 **Hand tools and implements** | 160.3 | 160.4 | 161.8 | 164.2 |
| 392 **Cutlery, spoons, forks and plated tableware etc** | 151.4 | 157.1 | 157.8 | 158.5 |
| 393 **Bolts, nuts, screws, rivets etc** | | | | |
| Bolts etc of iron and steel | | | | |
| Precision standard bolts etc of high tensile steel | 150.1 | 150.1 | 150.1 | 151.7 e |
| 399 **Metal industries not elsewhere specified** | | | | |
| 399/1 **Metal furniture** | | | | |
| Filing cabinets and other filing containers | 155.9 | 156.2 | 156.2 | 157.7 e |
| 399/2 **Metal windows and door frames** | 165.1 | 165.3 | 165.4 | 166.4 |
| 399/9 **Domestic gas appliances** | 160.6 | 161.9 | 162.2 | 162.5 |
| Gas cookers | 159.9 | 160.8 | 161.0 | 161.0 |
| Gas fires and space heaters | 163.7 | 164.5 | 164.7 | 164.9 |
| Water heaters and other domestic gas apparatus (excluding refrigerators and meters) | 158.2 | 161.9 | 162.6 | 164.9 |

## Table 3 Commodities produced in the United Kingdom (published monthly) *continued*

1975 = 100

| 1968 SIC order or MLH and industry | 1978 May | Jun | Jul p | Aug p |
|---|---|---|---|---|
| **XIII Textiles** | | | | |
| 411 **Man-made fibres production** | 127.1 | 127.6 | 127.8 | 128.2 |
| 413 **Weaving of cotton, linen and man-made fibres** | 136.5 p | 137.2 p | 137.8 | 138.5 |
| Woven cotton cloth in the loomstate | 142.2 | 143.4 | 144.0 | 144.5 |
| 414 **Woollen and worsted products** | 154.5 p | 155.3 p | 155.8 | 155.9 e |
| 414/2 **Yarns spun on the worsted and semi-worsted systems** | 148.6 p | 149.7 p | 149.8 | 150.0 |
| Yarns of wool spun on the worsted system | 153.9 | 154.6 | 154.8 | 155.0 |
| Yarns of man-made fibres spun on the worsted system | 136.8 | 137.2 | 137.3 | 137.5 |
| 419 **Carpets and rugs** | 146.8 p | 147.3 p | 148.4 | 152.7 |
| Woven carpets and carpet type rugs | 160.1 | 160.1 | 161.6 | 168.5 |
| 429 **Other textile industries** | | | | |
| 429/1 **Asbestos manufactures** | 167.3 | 168.9 | 173.1 | 173.9 |
| **XIV Leather, leather goods and fur** | | | | |
| 431/1 **Finished leather – for footwear** | 135.2 | 135.2 | 137.9 | 138.8 |
| **XV Clothing and footwear** | | | | |
| 450 **Footwear** | 146.8 | 147.0 | 148.1 | 148.4 |
| **XVI Bricks, pottery, glass, cement, etc** | | | | |
| 461 **Bricks, fireclay and refractory goods** | 160.5 | 164.1 | 165.9 | 166.6 |
| 461/1 **Refractory goods** | 167.3 | 167.5 | 167.7 | 168.5 |
| 461/2 **Clay building bricks and other non-refractory goods** | 154.5 | 160.7 | 163.6 | 164.2 |
| 463 **Glass** | 157.7 | 158.2 | 158.6 | 159.1 |
| 463/1 **Glass other than containers and vacuum ware** | 155.8 | 156.7 | 157.1 | 158.0 |
| 463/2 **Glass containers and vacuum ware** | | | | |
| Glass containers | 159.9 | 159.9 | 160.4 | 160.4 |
| 464 **Cement** | | | | |
| Calcareous cement (other than clinker) delivered in bulk | 161.4 | 169.2 | 169.2 | 169.2 |
| 469/2 **Miscellaneous building materials and mineral products** | 168.6 | 169.6 | 170.8 | 172.5 |
| Precast concrete goods | 160.8 | 161.5 | 163.3 | 165.6 |
| Precast concrete pipes to BS 556 – delivered | 173.7 | 174.7 | 174.9 | 175.3 |
| **XVII Timber, furniture, etc** | | | | |
| 471/1 **Timber sawmilling, etc** | | | | |
| Homegrown sawn hardwood | 160.7 | 166.1 | 167.9 | 168.6 |
| 471/2 **Builders' woodwork** | 152.2 | 152.2 | 153.6 | 153.9 |
| Timber structures and structural components | 148.4 | 148.5 | 148.7 | 149.1 |
| Window frames | 155.9 | 155.9 | 157.5 | 157.5 |
| 472 **Furniture and upholstery** | 143.2 | 143.4 | 145.0 | 147.0 |
| Domestic wooden furniture | 147.4 | 147.8 | 149.2 | 151.2 |
| Bedroom furniture, excluding built-in | 142.4 | 143.0 | 146.6 | 147.1 |
| Occasional furniture for dining/living room | 143.2 | 143.2 | 143.2 | 148.0 |
| Dining/living room furniture excluding built-in | 150.1 | 150.1 | 150.8 | 152.3 |
| Kitchen furniture excluding built-in | 147.9 | 149.9 | 152.4 | 153.5 |
| Domestic upholstered furniture | 137.9 | 137.9 | 139.0 | 142.0 |
| 473 **Bedding and soft furnishings** | | | | |
| Fully finished mattresses | 154.4 | 154.5 | 160.8 | 160.9 |
| **XVIII Paper, printing and publishing** | | | | |
| 481 **Paper and board** | 131.7 | 130.9 | 130.8 | 130.9 |
| 482 **Packaging products of paper, board and associated materials** | | | | |
| 482/1 **Cardboard boxes, cartons and fibreboard packingcases** | 137.2 | 138.0 | 138.5 | 139.1 |
| 483 **Manufactured stationery** | 144.3 p | 144.6 p | 145.0 | 146.0 |
| **XIX Other manufacturing industries** | | | | |
| 491 **Rubber manufactures** | | | | |
| 491/1 **Tyres and tubes** | 147.3 | 147.6 | 150.5 | 151.7 |
| 492 **Linoleum, plastics, floorcovering, leathercloth, etc** | | | | |
| Floorcovering of linoleum and printed felt base | 152.4 | 152.4 | 152.4 | 152.4 |
| **Special indices** [2] | | | | |
| Granite and limestone roadstone | 164.4 | 166.0 | 165.7 | 165.8 |
| Granite and other chippings | 151.3 | 153.3 | 151.1 | 151.1 |
| Sand and gravel – delivered | 179.1 | 179.3 | 181.3 | 181.6 |
| Medium fuel oil (950 seconds including duty) | 169.5 | 169.5 | 169.5 | 169.5 |
| Derv | 160.3 | 160.3 | 160.3 | 160.3 |
| Semi-finished steel for forgings (other than drop forgings) | 168.2 | 168.2 | 168.9 | 169.6 |
| Steel sheets | 155.9 | 155.9 | 162.3 | 164.3 |
| Finished steels (other than sheets, tinplates, tubes, forgings and castings) | 148.8 | 148.8 | 151.1 | 152.6 |
| Steel sheet piling | 162.6 | 162.6 | 166.8 | 166.8 |
| Light re-rolled bars and sections | 145.2 | 145.2 | 147.5 | 148.3 |
| Finished stainless steels | 142.0 | 142.0 | 142.1 | 142.1 |
| Steel castings | 158.0 | 158.6 | 158.9 | 158.9 |
| Structural steel | 146.4 | 146.4 | 149.0 | 150.0 |
| Steel tubes (other than electric conduit tubes) | 160.5 | 160.5 | 160.5 | 170.3 |
| Cast and spun iron pipes and fittings | 151.3 | 152.0 | 152.0 | 152.0 |
| Iron castings | 151.3 p | 152.0 p | 153.3 | 153.7 |
| Malleable iron castings | 157.8 | 158.0 | 156.8 | 156.8 e |
| Wrought aluminium | 174.4 | 174.9 | 175.5 | 176.0 |
| Industrial pumps | 150.8 | 151.6 | 151.7 | 153.3 |
| Primary and secondary batteries | 162.5 | 162.5 | 162.5 | 163.4 |
| Catering equipment | 155.6 | 157.3 | 158.0 | 159.2 |
| Plumbers' brassware | 149.5 p | 150.4 p | 153.8 | 153.8 |
| Engineering bricks – delivered | 162.1 | 162.1 | 162.1 | 162.1 |
| Glazing sheet and plate glass | 159.5 | 159.5 | 159.5 | 159.5 |
| Cement in bags | 162.0 | 170.0 | 170.0 | 170.0 |
| Door sets, leafs and frames | 156.2 | 156.2 | 156.7 | 157.0 |
| Domestic furniture | 144.4 | 144.7 | 146.0 | 148.3 |
| Divan sets | 147.2 | 147.2 | 150.0 | 150.2 |
| Electrical installation materials, domestic | 143.2 | 146.1 | 146.3 | 149.4 |
| Office equipment and machinery | 140.1 p | 146.7 p | 148.0 | 150.8 |
| Office furniture | 143.1 | 144.9 | 146.8 | 151.9 |

[1] Inclusive of VAT and car tax. [2] These indices are specially constructed outside the normal Wholesale Price Index structure. Their continued publication is a temporary measure to enable extant VOP contracts to be completed. p Provisional. e Estimates which are subject to possible major revision.



## Wholesale price indices: further information

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| General inquiries and Tables 1, 1a and 2 | 01-215 3544<br>01-215 3073 |
| Table 3 | |
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| chemicals, steel, building materials, etc | 01-215 5216 |
| textiles, clothing, timber, paper, etc | 01-215 3548 |
| Tables 4 and 5 | 01-215 3173 |

Correspondence: Departments of Industry, Trade and Prices and Consumer Protection, Economics and Statistics Division 4, Room 249, Sanctuary Buildings, Great Smith Street, London SW1P 3DB

## Table 4 Commodities wholly or mainly imported into the United Kingdom

1975 = 100

| | 1977 | 1978 | | | |
|---|---|---|---|---|---|
| | Aug | May | Jun | Jul p | Aug p |
| Hides and skins, UK origin and imported | 207.4 | 237.2 | 235.3 | 250.8 | 261.5 |
| Natural rubber smoked sheet [1] | 170.6 | 176.3 | 184.4 | 172.5 | 179.1 |
| Wood, lumber and cork | | | | | |
| Softwood (delivered to consumers) | 163.2 | 145.1 | 146.5 | 148.1 | 149.2 e |
| Hardwood (ex yard or wharf) | 164.9 | 163.5 | 168.3 | 169.2 | 171.2 |
| Plywood and blockboard (delivered to consumers) | 149.9 | 146.3 | 148.6 | 150.7 | 153.6 e |
| Woodpulp | 116.5 | 93.2 | 92.2 | 92.3 | 90.1 |
| Textile fibres | | | | | |
| Raw wool, greasy or fleece washed | 155.3 | 154.3 | 156.0 | 155.6 | 150.2 |
| Merino | 139.5 | 140.4 | 141.5 | 139.2 | 135.6 |
| Crossbred | 175.0 | 171.6 | 174.1 | 176.0 | 168.4 |
| Raw wool, UK origin | 184.4 | 196.2 | 197.5 | 200.4 | 200.4 |
| Raw wool, UK origin and imported | 161.1 | 162.6 | 164.3 | 164.5 | 160.3 |
| Raw cotton [1] | 152.6 | 165.0 | 165.4 | 159.5 | 160.1 |
| Non-ferrous metals | | | | | |
| Copper, LME settlement price [1] | 119.3 | 128.3 | 129.9 | 126.4 | 131.7 |
| Aluminium, virgin ingot, delivered, producers price [1] | 173.9 | 173.9 | 173.9 | 173.9 | 173.9 |
| Lead, LME settlement price [1] | 170.0 | 160.7 | 166.8 | 165.1 | 176.7 |
| Zinc, producers price [1] | 109.8 | 86.4 | 85.5 | 83.0 | 84.4 |
| Zinc, LME settlement price [1] | 89.1 | 92.0 | 93.6 | 91.8 | 94.9 |
| Tin, ingot, min 99.75%, LME settlement price [1] | 209.5 | 208.4 | 218.1 | 212.1 | 216.8 |

[1] Source of information: trade publications. p Provisional. e Estimates which are subject to possible major revision.

## More about wholesale prices

**01-215 3544** tables 1, 1a and 2
**01-215 3549** table 3
**01-215 3173** tables 4 and 5

Per cent

| | Increase in price index 1st qtr 1974 to 1st qtr 1978 | |
|---|---|---|
| | 1968-based series | 1974-based series |
| **Materials and fuel purchased by** | | |
| Manufacturing industry | 53.7 | 63.9 |
| Materials | 49.4 | 57.9 |
| Coal, gas and electricity | 127.5 | 124.7 |
| Manufacturing industry other than food, drink and tobacco industries | 50.5 | 61.5 |
| Materials | 44.8 | 52.3 |
| Food manufacturing industries | 70.3 | 76.5 |
| Materials | 68.8 | 75.3 |
| **Output prices (Home sales)** | | |
| All manufactured products | 101.6 | 98.4 |
| Products of manufacturing industry other than food, drink and tobacco industries | 101.6 | 95.6 |
| Products of food manufacturing industries | 91.2 | 96.4 |

erally insubstantial but may be of more significance if shorter periods are compared.

### New information

Apart from the weights, practically the same detailed information on price changes has been used in the new as in the old series. Price information obtained to improve the coverage of the sample since the 1968-based series was introduced was generally incorporated into that series as it became available; the only additional information to be used in the new series relates to price changes on some of these items between 1974 and the time when the information was obtained.

### Publication

To enable a long run of monthly figures to be published this month in tables 1, 1a and 2, the usual quarterly information giving the past five quarters has been excluded. The standard format will be resumed next month. Monthly figures for periods earlier than those shown in the tables will be provided on request. These cover the period from January 1974.

For the convenience of those who use the index numbers in long-term contracts to take account of changes in the cost of materials, multiplication factors for indices in tables 1 and 2 are published. These multiplication factors enable users to extend 1970 = 100 indices beyond May 1978, the last firm month to be published on the old base, with the month-to-month movements of the equivalent index in the 1975 = 100 series.

In recent years there have been changes in the product headings, as agreed with industry, in the quarterly production inquiries conducted by the BSO. As part of the rebasing exercise, the opportunity has been taken to restructure the wholesale price indices to align them more closely with these product headings and hence with other government statistics. As a result there are some new indices and some indices previously published in tables 3 and 4 are no longer available or are only available on request (with reservations as to their statistical reliability).

Indices corresponding to those previously published in tables 1a, 3a and 3b are published this month but the last two are renumbered 3 and 4 respectively. Multiplication factors for these indices are available on request.

The complete set of rebased indices (that is, including indices which were previously published only every four months) will be published for the first time in December and thenceforth will be published monthly.

## Notes of index numbers of wholesale prices

**1975 = 100**

1 The index numbers are calculated from the price movements of about 11 000 closely defined materials and products representative of goods purchased and manufactured by United Kingdom manufacturing industry.

2 Prices collected are those quoted for current orders. For some goods the usual time lag between placing of order and date of delivery may be lengthy.

3 Prices obtained for UK-produced goods may be on an ex-works or delivered basis according to the practice in the trade concerned. Where a producer supplies ex-works and also delivers, generally only the more important basis is reported on. Prices of imported goods are measured on, or as closely as practical to, a delivered basis.

4 Contributors provide prices monthly together with the date any price change becomes effective, and this enables the average for the month to be calculated. The monthly indices relate to the average prices for the month; the full effect of a price change within a month will therefore only be reflected in the index for the following month.

5 When an item ceases to be available or is considered no longer representative it is necessary to remove it from the index. An adjustment is made to the new index level to maintain comparability with that of the preceeding series.

6 When an item is modified or a replacement item is added to the index, an adjustment is also made in the calculation of the index numbers to account for such differences in order to maintain comparability. Where price information for these items is

## Table 5 United Nations index numbers of world export prices [1]

1970 = 100

| | Primary commodities | | | | | | | | | Primary commodities and non-ferrous metals [2] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | | | Agricultural non-food | | | Non-ferrous metals | | | | | |
| | $ | £ | Purchasers' currencies | $ | £ | Purchasers' currencies | $ | £ | Purchasers' currencies | $ | £ | Purchasers' currencies |
| **1974** 1st qtr | 303 | 318 | 274 | 232 | 244 | 209 | 160 | 168 | 144 | 284 | 298 | 256 |
| 2nd qtr | 304 | 304 | 263 | 229 | 229 | 198 | 183 | 183 | 159 | 288 | 287 | 249 |
| 3rd qtr | 309 | 315 | 274 | 221 | 225 | 196 | 142 | 145 | 126 | 287 | 292 | 254 |
| 4th qtr | 320 | 330 | 284 | 212 | 213 | 186 | 126 | 130 | 111 | 294 | 303 | 258 |
| **1975** 1st qtr | 312 | 313 | 261 | 201 | 202 | 168 | 124 | 124 | 101 | 287 | 287 | 240 |
| 2nd qtr | 299 | 309 | 250 | 198 | 204 | 166 | 121 | 125 | 101 | 275 | 284 | 230 |
| 3rd qtr | 295 | 333 | 261 | 196 | 220 | 173 | 118 | 133 | 105 | 271 | 306 | 240 |
| 4th qtr | 301 | 354 | 271 | 191 | 224 | 172 | 116 | 136 | 104 | 276 | 324 | 249 |
| **1976** 1st qtr | 306 | 368 | 279 | 202 | 243 | 184 | 120 | 144 | 109 | 281 | 338 | 256 |
| 2nd qtr | 310 | 412 | 289 | 212 | 282 | 198 | 135 | 179 | 126 | 286 | 381 | 267 |
| 3rd qtr | 314 | 427 | 291 | 227 | 308 | 211 | 140 | 190 | 130 | 291 | 395 | 270 |
| 4th qtr | 316 | 459 | 290 | 232 | 337 | 213 | 131 | 190 | 120 | 291 | 423 | 267 |
| **1977** 1st qtr | 341 | 478 | 311 | 241 | 338 | 220 | 142 | 199 | 130 | 314 | 440 | 286 |
| 2nd qtr | 350 | 489 | 316 | 249 | 348 | 224 | 143 | 200 | 129 | 322 | 450 | 289 |
| 3rd qtr | 339 | 469 | 302 | 227 | 314 | 202 | 138 | 191 | 123 | 312 | 432 | 278 |
| 4th qtr | 338 | 447 | 292 | 221 | 292 | 191 | 141 | 187 | 122 | 312 | 412 | 269 |
| **1978** 1st qtr | 344 | 428 | 284 | 229 | 285 | 189 | 140 | 174 | 116 | 317 | 394 | 262 |
| 2nd qtr [3] | 346 | 452 | 283 | 240 | 314 | 196 | 141 | 184 | 115 | 318 | 416 | 260 |
| *July* [4] | *343* | *434* | *272* | *241* | *306* | *191* | *144* | *182* | *114* | *316* | *400* | *251* |
| *August* [4] | *344* | *426* | *265* | *244* | *302* | *188* | *150* | *186* | *116* | *318* | *393* | *245* |

[1] Published by the UN in terms of US dollars. For convenience the index numbers are also shown in sterling and in terms of purchasers' currencies by converting the dollar index at prevailing exchange rates. [2] This combined index is not published as such by the UN. [3] Provisional. [4] Projections by Department of Industry.

collected from the manufacturer, the adjustment is normally made after consultation with him.

7 Prices for these closely-defined items are combined into index numbers of commodities produced in the UK or commodities wholly or mainly imported.

8 For calculation purposes the formula is:

$$\frac{100\Sigma[(q_b P_r)P_i/P_r]}{\Sigma q_b P_b}$$

where $p$ and $q$ are price and quantity respectively and $b$, $r$ and $i$ denote respectively the base year, reference year and any period. This resolves to a more familiar form of the laspeyre formula:

$$\frac{100\Sigma q_b P_i}{\Sigma q_b P_b}$$

Thus since the quantity information used as weights relates to 1974 the index numbers express the cost of a 1974 'basket of goods' as a percentage of what the same basket cost in 1975.

9 The weights have been derived from the quarterly production inquiries and the purchases inquiry for 1974 supplemented by the trade accounts, information supplied by trade associations and various other sources.

10 In building up commodity price index numbers into those for wider groups, including the index numbers of materials and fuel purchased and those of the output of sectors of industry, net weights are used, ie transactions between undertakings within the same sector are excluded. For example steel is included in the index for all manufactured products only to the extent that it is sold outside manufacturing such as to the construction industries: steel sold within the manufacturing sector is excluded. However sales of capital goods are all treated as sales outside manufacturing industry in accordance with national income accounting practice which treats capital formation as a separate sector.

11 Product descriptions of the index numbers generally correspond to principal products (or groups of principal products) of an industry as defined in the quarterly production inquiries. The value on which the weight for a principal product is based includes the value of sales of that product by establishments classified to other census industries.

12 All the index numbers are compiled exclusive of value added tax and, before its abolition, of purchase tax. Revenue duties (on cigarettes and manufactured tobacco, alcoholic liquor, matches and mechanical lighters) are included. The duty on hydrocarbon oils is excluded from output price series that cover these products (unless specifically noted to the contrary) but is included in series for materials and fuel purchases by sectors of industry.

13 The value of goods for which no price information is available is imputed to price series which may be expected to move similarly.

14 For the index numbers of material and fuel purchased by manufacturing industry (tables 1 and 1a) an allowance is made for changes in the prices of imported goods where they account for a substantial share of the total supplies to industry of an individual product. Price changes for imported supplies and home-produced supplies of the product are calculated separately and then combined in a way that allows for changes in proportion between them.

15 Firm and provisional indices, at all levels of aggregation, generally include imputation for items for which there is no current price information. Additional provisional indices will be published for those indices where there are insufficient returns to allow accurate imputation.

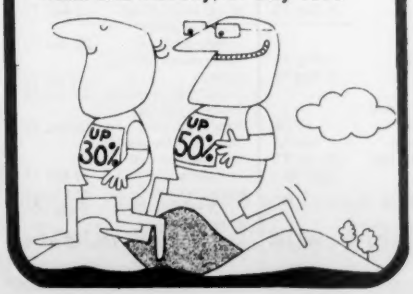
16 First provisional indices are published for all series in tables 3 and 4 but a suffix e will be added to indicate those index values which are most subject to possible major revisions.

17 To facilitate further calculation the index numbers are in most cases given to one decimal place, but small month to month movements have little significance. Revisions to firm index numbers will only be made if they are significant. Consequent revisions to annual averages will be published in the next annual article.

18 Before the introduction of the 1975-based series, the wholesale price index was based on 1968 with the reference year 1970. The 1968-based series was introduced in June 1973 and an article explaining the differences between the 1968- and 1963-based series appeared in *Trade and Industry*, 21 June 1973. Other articles of particular relevance to the development of wholesale price indices appeared in the *Board of Trade Journal*, 21 February 1969, 21 March 1958 and 13 February 1959, and in *Economic Trends*, September 1958.


**Guide to government statistics**

see centre pages
Trade and Industry, 21 July 1978



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## Cinema admissions and takings in June

During June, counted as a five-week period, the weekly average of admissions to cinemas in Great Britain was 1.53 million and the weekly average of gross box office takings was £1.68 million. The comparable figures for June 1977 were 1.65 million and £1.40 million.

## Films Act 1960: combination of quota periods

**'Saturday Night Fever'**

The Department of Trade, after consulting the Cinematograph Films Council and upon the application of EMI Cinemas Ltd, has issued a direction that for the following cinema the years 1978 and 1979 may be combined as a single quota period, provided that the foreign film 'Saturday Night Fever' is exhibited for a continuous period of at least eight weeks and one day.

ABC 2 Cinema, Leeds

**'Grease'**

The Department of Trade, after consulting the Cinematograph Films Council and upon the application of EMI Cinemas Ltd, has issued a direction that for the following cinema the years 1978 and 1979 may be combined as a single quota period, provided that the foreign film 'Grease' is exhibited for a continuous period of at least eight weeks and one day.

Romford, ABC 1; Staines, ABC 2; Streatham, ABC 1; Croydon, ABC 1; Bexleyheath, ABC 1; Reading, ABC 1; Southampton, ABC 1; Edinburgh, ABC 1; Northampton, ABC 1; Basildon, ABC 1; Luton, ABC 1; Brighton, ABC 1; Eastbourne, ABC 1; Basingstoke, ABC 1; Bristol, ABC; Bristol, ABC 1; Bournemouth, ABC 1; Aberdeen, ABC 1; Ipswich, ABC 1; Norwich, ABC 1; Chatham, ABC 1; Stevenage, ABC 1; Plymouth, ABC 1; Cardiff, ABC 1; Exeter, ABC 1

## Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 15 September 1978.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

| Title of film | Registered no. | Playing time minutes | Date of registration | Registered in the name of | Makers name |
|---|---|---|---|---|---|
| **BRITISH** | | | | | |
| Movietone News 2571 | BR/E 39595/17/9/83 | 8 | 15 September | British Movietonews Ltd | British Movietonews Ltd |
| **FOREIGN** | | | | | |
| Sven Klang's Combo | F 39742 | 109 | 11 September | Essential Cinema Ltd | Stellan Olsson, Sweden |
| Coma | F 39743 | 113 | 12 September | Cinema International Corporation (UK) | MGM Inc, California |
| An Enemy Of The People | F 39744 | 106 | 14 September | Enterprise Pictures Ltd | Solar Productions Inc, California |
| Black And White In Colour | F 39745 | 92 | 14 September | United Artists Corporation Ltd | Michael Arthur Film Productions, Liechtenstein |
| The Driver | F 39746 | 90 | 14 September | Columbia-EMI-Warner Distributors Ltd | EMI Films Inc and Twentieth Century-Fox Film Corporation, California |
| The Cat From Outer Space | F 39747 | 98 | 14 September | Walt Disney Productions Ltd | Walt Disney Productions, California |
| Immoral Story | F 39748 | 46 | 15 September | Cinecenta Film Distributors Ltd | Sandra Film-Produktion GmbH, Stuttgart |

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